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Daily Report

China

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Daily Report

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NOTICE TO READERS: An * indicates material not disseminated in electronic form.

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General

CRI Commentary Views U.S.-Haitian Situation

OW1709202594 Beijing China Radio International in English to Western North America 0400 GMT 17 Sep 94

["Analysis" by staff reporter Zhou Hong; from the "News and Current Events" program—recorded]

[Text] Two U.S. aircraft carriers and the troop ship Mount Whitney are steaming toward Haiti to join nine warships already gathered off the small Caribbean island. Pentagon officials have said 5,800 Army troops and Marines are on board the ships. They have also announced that more than 1,000 reservists may be called up for military action in Haiti. However, Washington still faces opposition from both home and abroad against its invasion plan aimed at restoring ousted President Jean-Bertrand Aristide. The latest poll shows that more than 70 percent of the U.S. people are opposed to a military invasion. They feel the lives of U.S. soldiers should not be jeopardized restoring a government in another country. The House of Representatives is divided over the issue of using force. Even seven Democrats are reluctant to support the President's decision. Although the U.S. Secretary of State Warren Christopher said 17 nations had agreed to join in military action, most of them have actually agreed only to join peacekeeping operations. Most of the Latin American countries are opposed to the U.S. invasion. France has publicly criticized the U.S. policy. Canada is not sending troops, and Britain has agreed to send only a military training group.

But President Clinton looks determined to go ahead. In a nationwide television speech on Thursday, he said the military mission in Haiti will be limited and specific. He promised to bring the soldiers home as soon as possible. Mr. Clinton said time for Haiti's military leaders is up. His speech is widely believed to be the final warning to the Haitian military rulers. The Haitian Government has imposed a curfew throughout the country. Military leader Raoul Cedras said that he had been authorized by the de facto president to defend the country against a U.S. invasion. He vowed to resist the invasion until death. Cedras warned that the invasion would trigger a civil war. As the warships approach Haiti, both the United States and Haiti have real cause for concern. Once the war machine begins to roll, who can stop it? Using force to change a government in another country may not be the best way to settle a crisis. Last-minute talks may now be the choice for both sides.

Commentary Views U.S.-Haitian Situation

OW1709160694 Beijing China Radio International in Mandarin to Asia 0900 GMT 17 Sep 94

["Commentary on International Affairs" by Hou Donghe from the "News, Report on Current Events, and Economic Information" program]

[Text] Recently, U.S. troops have been deployed to Haiti's waters, and Haiti's situation is explosive. Our commentator, Mr. Hou Donghe, will talk to you today about Haiti's situation.

Ever since Haiti's military leaders assumed power, the United States has continued to exercise all sorts of pressure on Haiti to force Haiti's military leaders to step down, and to reinstate Aristide. However, Haiti's military regime has ignored U.S. pressure. Under such circumstances, the United States has indicated repeatedly that it would achieve its goal by force. Haiti's situation intensifies everyday.

On 15 September, U.S. President Clinton warned Haiti's military leaders, demanding them to leave Haiti immediately, otherwise the United States would force them from power. Time and again, many other U.S. officials have also indicated that the United States will send troops to Haiti.

Meanwhile, U.S. warships and helicopters have also intruded Haiti's territorial waters and air space. Two U.S. aircraft carriers are steaming toward Haiti's waters. So far the United States has deployed 15 warships and large amounts of troops to Haiti. The deployment of the main U.S. military forces to invade Haiti is basically complete.

However, Haiti's military government has yet to indicate that it will step down on its own. On 15 September, Haiti's military leader, Cedras, even stated that he was ready to use every means in Haiti to resist a U.S. invasion, and that he will, like each and every other Haitian soldier, sacrifice his life to safeguard his country. All this seems to have given people the impression that the United States will soon use force against Haiti.

To solve the Haitian crisis, the United States has been trying to exercise pressure on Haiti's military government in an effort to force it to give in, but the use of force would be the last option when the exercise of pressure fails. While the United States has been claiming to settle the Haitian issue with force, it keeps delaying its actions. Why? That is because the United States has encountered many problems at home and abroad.

First, although U.S. officials have been busily proclaiming that the United States will send troops to Haiti, when we carefully analyze their remarks we can see that, between the lines, the willingness of Haiti's military leaders to step down on their own is what they really hope for, and that the United States will not give up this idea unless all options have been exhausted.

Second, the move of sending troops to Haiti does not have the support of the American people. This is another reason why the U.S. Government is unwilling to act rashly in dispatching troops to Haiti. The latest polls show that three-fourths of the American people do not support the use of force against Haiti. Many U.S. congressmen are also firmly opposed to the use of force

against Haiti. They say the United States has no national interests in Haiti, and that it is not worthwhile to send U.S. soldiers to die there. Because of this, the U.S. Government has to act cautiously while making the decision.

Third, once the United States decides to send troops to Haiti, it has to handle the many economic and political problems that will be left behind by Haiti's military government. In other words, it is easy to get into Haiti, but it will be difficult to get out of it, and the efforts will be as thankless as those made in Somalia.

Finally, the U.S. decision to dispatch troops is not popular among its allies. France has already publicly criticized the U.S. decision. Canada has refused to send troops. Britain has stated that it will not take part in military actions. Many Latin American countries simply do not support the move of sending U.S. troops to Haiti. They all hope that the Haiti crisis can be resolved peacefully.

In the final analysis, the reason why the United States has encountered so many problems in sending troops to Haiti is because the U.S. act goes against the basic principles governing international relations.

Despite the repeated U.S. threat of sending troops, Haiti's military leaders have been preparing for war by building defense facilities and training militiamen to resist a U.S. invasion that could occur at anytime. It can be said that because of the Haitian military government's tough stance, the United States finds itself in a dilemma. On 16 September, according to the latest information, the U.S. White House declared that President Clinton would send a team of three, including former President Carter, to Port-au-Prince within 24 hours to make the last diplomatic efforts to resolve the Haitian crisis.

Commentator Views U.S.-Haitian Situation

OW1709122194 Shanghai People's Radio Network in Mandarin 2300 GMT 16 Sep 94

["Analysis" by Fan Xiaogang, international news editor of the Shanghai People's Radio Network—recorded; from the "990 Morning News" program]

[Text] Listeners: U.S. President Clinton made a nationally-televised speech in the White House on Friday [16 September] evening—or yesterday afternoon Beijing time—about a planned military invasion of Haiti.

In his speech, Clinton said that, over the past three years, Haiti's ruling authorities have killed children, raped women, shot clergymen, destroyed the economy, and violated the accord they had reached with the United Nations on renouncing their power.

President Clinton said that over the past three years, Haiti's ruling authorities had rejected all the peace plans adopted by the international community. Clinton said

that any military intervention in Haiti would be to protect the security of the United States' borders, safeguard the security of the Western Hemisphere, and promote democracy. After President Clinton made his speech, a final settlement of the Haiti crisis seemed imminent. In other words, the arrow on the drawn bow will be released.

I think that the reasons for President Clinton daring to undertake such a risk—a political gamble, as it is referred to by the media—are based on two considerations:

First, it has been three years since Aristide, the Haitian president elected by the people, has lived in exile in the United States. The perverse acts [hu zuo fei wei] committed by Haiti's ruling authorities at home during this period have infuriated the world media. The United States has time and again urged Haiti's ruling authorities to step down, and the United States, which considers itself the gendarme of the world, simply cannot tolerate such acts that undermine democracy in its neighboring countries.

Second, the U.S. Congress' year-end elections will soon begin. Judged by previous norms, if the ruling party's political performance is lackluster, it will invariably lose many votes, and waging war is an excellent opportunity to muster popular support. Moreover, President Clinton, who is always belittled in diplomatic circles, does not want to give up such an opportunity to demonstrate his strength and to win some applause for the Democratic Party.

In my view, there are two ways to settle the current Haiti crisis: first, by war; second, by peace.

From the angle of waging war, the United States has now deployed military assets of considerable power in Haitian waters, including more than 30 warships—two are aircraft carriers—and a 20,000-strong force comprised of infantrymen, airborne troops, and marines. As for Haiti, it has some 7,000 soldiers equipped with WWII-vintage weapons. Attempting to counter the powerful U.S. forces with such a weak force can be described as hitting a rock with an egg. U.S. Defense Secretary Perry said yesterday in a news interview that, if U.S. troops take military actions in Haiti, they may very likely accomplish the mission in a matter of hours, or a couple of days at most.

From the angle of settling the crisis by peaceful means, a final opportunity for peace still exists. The current situation shows that, while Haiti's [word indistinct] figure, Lt. Gen. Cedras, has time and again stated that he would rather die in the battlefield than leave his fatherland and disgrace his children, the reports we have just received this morning say that Lt. Gen. Cedras' emissaries and special representatives from the U.S. were holding secret consultations on a final plan for a peaceful settlement.

U.S. forces' intrusion into Haiti would be irresistible [words indistinct]. The main problem is that after they

get into Haiti, it is doubtful that they will be able to leave as easily as they came. This is because it is still an unknown factor whether Aristide will enjoy popular support after he returns home—the Haitian president, elected by the people, has an infamous reputation based on his past actions. This will very likely compel U.S. forces to stay in Haiti for a long period. I recall that when Somalia was beset by racial strife several years ago, U.S. forces went to Somalia declaring that they would capture 'Aidid, the head of a local armed force. But, instead of capturing the man, many U.S. soldiers died there and U.S. troops eventually left the country crestfallen. In fact, I recall that the last group of U.S. soldiers withdrew from Somalia only a few days ago. While U.S. troops can enter Haiti—and it is likely that they will do so in just a few days—whether they can leave is the key issue. And whether this issue will affect President Clinton's prestige is another question.

'Roundup' on U.S. 'Intervention' in Haiti

OW1609141794 Beijing XINHUA Domestic Service in Chinese 1208 GMT 16 Sep 94

["Roundup" by XINHUA reporter Huang Yong (7806 0516): The United States Is Ready To Use Force Against Haiti]

[Text] Beijing, 16 Sep (XINHUA)—U.S. President Clinton, in a nationally televised speech made yesterday evening, sent an ultimatum to the members of Haiti's military government, warning them "to leave now, or we will force you from power." Clinton's speech shows that the United States has decided to intervene in Haiti's political situation with military actions.

The relatively strong military forces which the United States has now deployed in the waters near Haiti include two aircraft carriers, 16 other ships, and approximately 6,000 infantrymen, airborne troops, and marines. Fourteen other cargo ships loaded with heavy weapons will also arrive there next week. U.S. media maintains that the United States may resort to force if Haiti's military government refuses to step down.

U.S. officials disclosed that the United States planned to deploy 20,000 soldiers in its invasion of Haiti. Compared with the Haitian military forces, which have 7,000 or so troops equipped with World War II-era weapons, the U.S. deployment can be described as like "slaughtering a chicken with a knife meant for a bull." Moreover, instead of making any effort to conceal its war plan, the United States has given it wide publicity. This is something very rare in the past. Apparently, one of the United States' strategies is to create a powerful "psychological pressure" on Haiti's military government so as to force them to give in and capitulate at the last moment.

Since the Haitian crisis started, the United States has taken all sorts of measures—from economic sanctions and luring members of the military junta to leave the country by promising them benefits, to military threat—

to force Haiti's military government to step down; but there is as yet no sign that Haiti's military regime will yield. If the U.S. threat is simply a feigned one like crying "wolf," then, in the words of U.S. Secretary of State Christopher himself, U.S. "credibility" would be in jeopardy. Thus, the stance which the United States has now taken is to use force against Haiti in the event that threats are of no avail.

Officials of Clinton's administration have time and again stressed that troops have been sent for the purpose of protecting U.S. "interests" and safeguarding "human rights" and "democracy." But polls indicate that the overwhelming majority of the American people are against military intervention in Haiti. A poll ABC conducted after Clinton's televised speech shows that 60 percent of the people polled were still against sending troops. Foreign wire services commented that one of the purposes of Clinton's speech was to convince the American public and win the support of public opinion, but that will be a "formidable task."

The choice of using force against Haiti has also set off strong opposition in the U.S. Congress. The Republicans worry that Clinton's decision to use force at this moment may be out of political considerations. If the U.S. military invasion proceeds smoothly, the price will be quite small and the voters may change their view of Clinton's handling of the Haiti issue. In this way, it could prove favorable to the Democratic Party in the November elections. The Republicans have therefore firmly demanded that, prior to giving the order to dispatch troops, Clinton obtains the concurrence of Congress. The Republicans' stand has been echoed by many Democrats who are worried that the U.S. troops "may get in easily but will find it difficult to get out." If U.S. troops get bogged down by a "guerrilla warfare" adopted by Haiti's present regime, casualties among U.S. soldiers may rise and the situation could become very unfavorable to the Democratic Party.

Bearing in mind the many voices at home opposed to an armed invasion of Haiti, the Clinton administration will try to fight a quick fight and force a quick decision from the Haitian regime once it invades to keep U.S. casualties to a minimum. This is one of the reasons that the United States has grouped massive forces near Haiti. In addition, the United States has organized a 2,000-man peace-keeping force with the participation of military personnel and policemen from 19 countries to enable the United States to extricate itself from Haiti as quickly as possible. However, there are far fewer than would be needed for any peace-keeping mission. An American official privately admitted that some U.S. troops might have to stay there until 1996.

Historically, the United States has repeatedly enforced military intervention in Latin American countries with the justification of protecting its "own interests." Nevertheless, facts have proven that U.S. "gunboat policy" was not always clever [ling 7227]. Earlier this century,

the United States experienced a failed intervention in Haiti. If the United States invaded Haiti now, will it "follow the same old disastrous road? [“chong dao fu zhe 6850 6457 6010 6568”]” There is good reason, it seems, for worries to be expressed in the United States.

Reportage Views Developments in Haiti

Cedras Warns of Civil War

OW1609062294 Beijing XINHUA in English 0542
GMT 16 Sep 94

[Text] Mexico City, September 15 (XINHUA)—Haiti's military leader Raoul Cedras warned on Wednesday [14 September] night that if there is an invasion, there will be a civil war in his nation, according to news reports from Port-au-Prince, capital of the Caribbean country.

Cedras also said he was willing to talk about democracy but "I am not willing to sell out and then live a life of comfort" in exile.

A few hours before Cedras's speech, Emile Jonaissant, the de facto president appointed by the military junta on May 11 this year, call in a speech in French for unity of the Haitian people.

Madeleine Albright, U.S. ambassador to the United Nations, declared today that every means has been tried to prevent an invasion against Haiti which was approved by the UN Security Council on July 31.

U.S. President Bill Clinton warned the Haitian leaders tonight to "leave now, or we will force you from power."

Clinton Meets Coalition Nations

OW1609231894 Beijing XINHUA in English 2214
GMT 16 Sep 94

[Text] Washington, September 16 (XINHUA)—U.S. President Bill Clinton today invited representatives of the 24 nations agreeing to join U.S. military operation against Haiti to the White House to demonstrate international solidarity.

"As I look around this room, I am struck by the fact that our common goal is shared by nations not only here in the neighborhood we all share, but in those...from all over the earth," Clinton said at the White House gathering.

Present at the gathering are prime ministers, deputy prime ministers, foreign ministers and ambassadors from the 24 nations, geographically as far as apart as Bolivia and Bangladesh.

"Your presence here demonstrate that this international coalition is strong, diverse and growing," Clinton said.

These nations have promised more than 2,000 troops to assist the U.S. military operation against Haiti.

He claimed that the coalition's goals are limited. "Once Haiti's military regime is moved from power, the coalition will then help the democratic government to establish basic security," he added.

The coalition will pass the baton to the United Nations "in months, not years," Clinton promised.

The President also sought to assure the countries' leaders that the U.S. military leaders "have worked and planned and done everything they possibly could to maximize the chances of success and minimize the risks to your people."

At the gathering, exiled Haitian President Jean-Bertran Aristide pledged a national reconciliation after the restoration of democracy in Haiti.

Aristide said he was "fully aware that peace and stability will return to our nation only because we have pledged to reconcile our society."

Speaking on behalf of the members of the coalition, Prime Minister Owen Arthur of Barbados expressed full support for the planned intervention in Haiti.

Also present at today's gatherings are Vice President Al Gore, Secretary of State Warren Christopher, Secretary of Defense William Perry and Chairman of the Joint Chiefs of Staff John Shalikashvili.

Clinton Sends Carter to Haiti

OW1709031694 Beijing XINHUA in English 0246
GMT 17 Sep 94

[Text] Washington, September 16 (XINHUA)—U.S. President Bill Clinton today decided to send former President Jimmy Carter to Haiti to persuade its military leaders to step down voluntarily, the White House announced here.

Carter will lead a high-level delegation to go to Haiti by Saturday [17 September] for a last-minute effort to avert a U.S. military invasion into Haiti, national security adviser Anthony Lake said.

The members of the delegation are retired General Colin Powell, former chairman of the Joint Chiefs of Staff, and Senator Sam Nunn, chairman of the Senate Armed Service Committee.

"President Clinton wished to pursue every possible alternative that would allow the Haitian military leaders to leave without bloodshed," a senior official told reporters at the White House.

But the official also said that "nothing in this changes either the urgency of the situation or the timetable of our military preparations."

Clinton warned last night that the Haitian military leaders must leave now, otherwise the United States will force them out of power.

More on Carter's Visit

OW1709210694 Beijing XINHUA in English 2004
GMT 17 Sep 94

[Text] Washington, September 17 (XINHUA)—Former U.S. President Jimmy Carter and his high-level delegation arrived in Port-au-Prince, Haiti, at noon in a last-minute effort to avoid a U.S. military invasion into this Caribbean country, reports said.

The other members of the delegation are retired General Colin Powell, former chairman of the Joint Chief of Staff, and Senator Sam Nunn, chairman of the Senate Armed Service Committee.

The three, at a request by President Bill Clinton for this mission, will persuade the Haitian military leaders to give up their power voluntarily.

"Their mission is to make one last best effort to provide a peaceful, orderly transfer of power, to minimize the loss of life and to maximize the chances of security for all Haitians and, of course, for our own troops and the coalition force," Clinton said in a Saturday [17 September] radio address.

He also said it is his responsibility to "pursue every possible alternative to the use of force, in order to avoid bloodshed and the loss of American lives."

But Clinton stressed that the U.S. military forces of 20,000, in coordination with some 2,000 troops from 24 nations, are poised to invade Haiti to end its military rule, headed by General Raoul Cedras.

A White House official said that the U.S. delegation would be authorized to discuss only terms of the Haitian military leaders' departure.

"Nothing in this changes either the urgency of the situation or the timetable of our military preparations," another official said.

Talks Termed 'Constructive'

OW1809071294 Beijing XINHUA in English 0702
GMT 18 Sep 94

[Text] Washington, September 17 (XINHUA)—The White House described Saturday [18 September] the talks between the U.S. delegation and Haitian leaders as "serious and constructive", saying that "further discussions are planned."

"The delegation had serious and constructive talks with government ministers, parliament and political leaders, members of the business community and religious leaders," a White House official said.

The U.S. delegation led former President Jimmy Carter arrived in Port-au-Prince today to make a last effort to persuade Haiti's military rulers to step down so as to avoid a U.S.-led military invasion.

Senior White House officials said the last-gasp diplomatic initiative offered the chance to achieve the departure of Haitian leader Raoul Cedras and Deputies Joseph Michel Francois and Phillipe Biamby without bloodshed and to restore exiled president Jean-Bertrand Aristide to power.

In a related development, Panama's President Ernesto Perez Balladares said Friday he would like to grant asylum to Haitian military leader cedras if that would avoid a U.S. invasion of Haiti.

However, he did not say whether the offer of asylum extended to any other top members of Haiti's military leadership.

Television reports showed that the delegation members refused to make any comment to the media when they emerged from the talks. But they were said to be keeping constant contact with the White House.

The delegation is expected to return to Washington at midday Sunday.

XINHUA Cites Perry

OW1609162394 Beijing XINHUA in English 1557
GMT 16 Sep 94

[Text] Washington, September 16 (XINHUA)—U.S. Secretary of Defense William Perry said here today that forcible entry of U.S. Military Forces into Haiti would be over in a matter of hours.

In an interview with NBC, Perry said the United States had planned to use overwhelming military forces to conduct the operation very quickly and to minimize casualties.

With two aircraft carriers—the USS Eisenhower and the USS America—sent into the region, about 20,000 American troops in all will be slated to participate in operation against Haiti's 7,500-man Army.

So it would be over "in a matter of hours, at most a day or two," Perry said.

He also said that "We have, as an important part of this plan, a follow-up security force and police which will get very quickly established in a matter of days after the military operation."

The U.S. Military Forces will not track down Haitian military leaders. But in the course of the military operation, if "we come across them, we will arrest them," Perry said.

The secretary said, "I'm still hoping that they will step down and we can avoid the necessity of forcible entry of our troops into Haiti."

Cedras Vows To Fight

OW1609162494 Beijing XINHUA in English 1613
GMT 16 Sep 94

[Text] Washington, September 16 (XINHUA)—Haitian military leader Raoul Cedras said today he is rather prepared to fight with his people against U.S. invasion into Haiti.

"We are going to defend ourselves until death," Cedras told CBS "This Morning" program.

Haitians "know they may die," he said, "but they're ready to defend their soil because no one in Haiti will ever accept an invasion."

Asked if there will be a bloodbath civil war among Haitians, the general said that "this is a very strong possibility." "I think this country will be totally out of control," he added.

U.S. Newspaper Opposes Possible Invasion

OW1609161694 Beijing XINHUA in English 1541
GMT 16 Sep 94

[Text] Washington, September 16 (XINHUA)—The United States has no right or duty to invade Haiti, a sovereign state in the Western hemisphere, the NEW YORK TIMES said in an editorial today.

U.S. President Bill Clinton warned last night that Haitian military leaders should leave now or the United States would force them from power.

Clinton said that "I want the American people to understand the background of the situation in Haiti, how what has happened there affects our national security interests and why I believe we must act now."

The President's speech was meant to convince Americans that the U.S. has a legitimate national security interest in Haiti worth the risking of American lives, the NEW YORK TIMES said.

"Indeed, Haiti does raise troubling concerns," the editorial said, "but concerns and security interests are not the same thing, no matter how hard a president argues."

Clinton characterized the Haitian military regime as the "most violent regime" in the hemisphere, but the U.S. "has long tolerated even grimmer human rights violations in Bosnia," it said.

The editorial criticized the Clinton administration for "treating Western hemisphere neighbors as something less than sovereign states."

It stressed that the United States has "no right or duty to invade countries whose governments have been overthrown and replaced by ones Washington does not like."

"This time it is Haiti. What about next time? Would those now urging action against the Haitian junta support the same principle if it were applied somewhere else?" the editorial asked.

CNN on End to Crisis Cited

OW1909043094 Beijing XINHUA in English 0408
GMT 19 Sep 94

[Text] Washington, September 18 (XINHUA)—U.S. President Bill Clinton announced today that Haitian

military leaders had agreed to relinquish power, averting a U.S. planned forced military entry.

In a televised address to the nation, Clinton said the Haitian leaders had agreed to "immediate introduction of troops from the international coalition" beginning Monday [19 September].

"This is a good agreement for the United States and for Haiti," Clinton said.

While noting the agreement minimized the risks faced by U.S. troops going into Haiti, Clinton warned the Americans to be prepared for possible casualties.

"This mission still has its risks and we must be prepared for them."

He repeated the promise of "no vengeance, no violence and no retribution" by exiled Haitian President Jean-Bertrand Aristide, who will soon return to Haiti.

The agreement was reached during talks between the de facto Haitian leaders and former U.S. President Jimmy Carter, former joint Chiefs of Staff Chairman Colin Powell and Senate Armed Services Committee Chairman Sam Nunn.

Under the agreement, Haitian Army commander Raoul Cedras, Chief of Staff Philippe Biamby and Port-au-Prince Police Chief Joseph Michel Francois will leave as soon as the Parliament passes an amnesty law.

According to the text of the agreement, as read over the Cable News Network (CNN) broadcast, the three military leaders will make "an early and honorable retirement."

Although there was no reference to the leaders' departure from the Caribbean nation, U.S. Secretary of State Warren Christopher implied that they were not likely to stay.

"I can't imagine that they would want to stay in Haiti with several thousand American troops there, with Aristide returned to power," Christopher told a press briefing shortly after Clinton's television address.

"I think for all practical purposes they are certain to leave," Christopher added.

Up to 15,000 troops from 24 countries besides the U.S. will "guarantee that the dictators will carry out the terms of the agreement," Clinton said.

"This agreement only came because of the credible and imminent threat of the multinational force.

"In fact, it was signed after Haiti received evidence that paratroopers from our 82nd Airborne Division ... had begun to load up to begin the invasion," Clinton said.

"Indeed, at the time that the agreement was reached, 61 Americans planes were already in the air," Clinton added.

As a footnote to Clinton's remarks, Christopher said "this is one instance where power has served diplomacy in an absolutely classic way."

General John Shalikashvili, chairman of the Joint Chiefs of Staff, said the Pentagon had planned to begin the invasion this evening "for a number of days now."

Under the seven-point agreement, "military activities of the U.S. military mission will be coordinated with the Haitian military high command."

Shalikashvili said General John Sheldon, commander of the U.S. troops in the Haiti operation, is expected to arrive in Haiti on Monday to meet with Cedras.

The agreement also stipulates that "the economic embargo and economic sanctions will be lifted without delay in accordance with relevant UN Resolutions and the needs of the Haitian people will be met as quickly as possible."

Haiti Holds Almost 'No Economic Significance'

OW1609224294 Beijing XINHUA in English 1823
GMT 16 Sep 94

[Text] Washington, September 16 (XINHUA)—Haiti has almost no economic significance to the U.S. economy but the Haitian economy depends almost 80 percent on the U.S., a report by the Center for Global Trade Development said today.

The U.S.-based independent research group, which monitors economic development and trade in 220 countries, said the bilateral trade of U.S.-Haiti declined from 830 million U.S. dollars in 1989 to 381 million dollars last year.

Most of the merchandise trade with Haiti is conducted through Miami. Haiti's population is 6.7 million, its gross national product 1.8 billion U.S. dollars in 1993.

U.S. imports from Haiti in the first five months of this year amounted to 49.5 million dollars, while its exports to Haiti declined to 70 million dollars.

From 1989 to in 1993, U.S. imports from Haiti declined from 372 million dollars to 162 million dollars, and U.S. exports to Haiti went down from 458 million dollars to 219 million dollars.

Ninety-nine percent of the 36 executives that the center for global trade development recently interviewed did not have any direct business relation with the tiny country in the heart of the Caribbean.

U.S. exports to countries in the Caribbean Basin amounted to 11.3 billion dollars in 1992, rising 11.4 percent over 1991 and accounting for 2.7 percent of total U.S. exports in that year.

But out of this, less than two percent went to Haiti in 1992, the report said.

In 1992, the Caribbean Basin ranked 10th as an export market for the U.S., ahead of such countries like Belgium and Singapore.

Spokesman Views Taiwan's Presence at Asiad

OW1609135094 Beijing Central People's Radio in
Mandarin to Taiwan 2200 GMT 15 Sep 94

[Report, with portions recorded, by station reporter (Xie Jizhen); from the "News and Current Events" program]

[Excerpts] A Chinese Foreign Ministry spokesman held a news briefing on the afternoon of 15 September, during which he fielded questions from Chinese and foreign reporters. Following is a report filed by (Xie Jizhen):

[Begin recording] [(Xie)] Foreign Ministry Spokesman Shen Guofang announced at the weekly news briefing that Qian Qichen, State Council vice premier and concurrently foreign minister, will pay an official visit to the United States 3-4 October. [passage omitted]

Asked to comment on the Olympic Council of Asia's [OCA] decision to cancel invitation to political figures to attend the Asian Games in Hiroshima, the spokesman said:

[Shen] We deem the OCA's decision as wise. [sentence indistinct] However, in disregard of the solemn position of the Chinese Government, the Japanese Government decided to allow Xu Lide [Hsu Li-teh] and other important political figures of Taiwan to visit Japan. The Chinese Government cannot accept this. It must be pointed out that no matter under what name Xu Lide visits Japan, such a visit carries a clear political motive and is a deliberate attempt by the Taiwan authorities to create a political incident. The Taiwan issue concerns the sovereignty of China and the great cause of China's national reunification; it is a major principle governing Sino-Japanese relations. The Chinese Government's position on this issue is very clear. We again solemnly request the Japanese Government to abide by the principles enshrined in the Sino-Japanese Joint Statement and reconsider the proposed visit by Xu Lida to Japan so as to avoid hindrance to the normal development of Sino-Japanese relations and disruption to the smooth progress of the Asian games.

[(Xie)] In response to a question about China's position on Japan's [words indistinct] to win a permanent seat on the UN Security Council, the spokesman said:

[Shen] We understand Japan's desire to play a greater role in the United Nations. The question of reforming the Security Council is complicated and requires sufficient and broad-based exchanges of views among UN members. [end recording]

Commentary Views Taiwan's 'Sports Diplomacy'

OW1709161894 Beijing XINHUA in English 1540
GMT 17 Sep 94

[Text] Beijing, September 17 (XINHUA)—XINHUA NEWS AGENCY today carries a commentary titled,

"What are the Taiwan Authorities up to While Going in for 'Sports Diplomacy'?", which reads as follows:

Over the past few years, the Taiwan authorities have pursued their so-called "substantial diplomacy" and "pragmatic diplomacy" as well as "vacation diplomacy", "transit diplomacy", "ceremony diplomacy" and "money diplomacy". The same old thing in disguise is by no means an isolated case. Recently they have gone all out to play with the so-called "sports diplomacy" targeted at the Hiroshima Asian Games.

It is reported that the Taiwan authorities decided as early as March and April this year that Li Teng-hui would go to attend the opening ceremony of the Asian Games, with the Olympic Council of Chinese Taipei [Taipei] acting as go-between.

On September 12 Shaykh Ahamad al-Fahd al-Sabah, president of the Olympic Council of Asia (OCA), explicitly canceled an invitation the OCA had extended earlier to Li. The Taiwan authorities then trotted out Tsu Li-teh, "vice-president of the Executive Yuan", disguising him as a "lobbyist for the 2002 Asian Games" to squeeze him into the Hiroshima Asian Games. He has already obtained an entry visa issued by the Organizing Committee of the Hiroshima Asian Games. As a Chinese saying goes: Hardly has one wave subsided when another rises—which means one trouble follows another.

People cannot refrain from asking: What are the Taiwan authorities actually up to, that they are so anxiously and unscrupulously trying to squeeze themselves into the Hiroshima Asian Games?

The true purpose of the "substantial diplomacy" and "pragmatic diplomacy" by the Taiwan authorities in recent years is to try their utmost to create "two Chinas" or "one China, one Taiwan" in the international arena. The current "sports diplomacy" is nothing but a change in form of their "substantial diplomacy" and "pragmatic diplomacy".

As another saying goes: They remain essentially the same despite all apparent changes. The Taiwan authorities are interfering in sports affairs with politics and attempting to change sports circles into a political arena as so to realize their goal of creating "two Chinas" or "one China, one Taiwan". Their intention is obvious to everyone.

Numerous political figures in Taiwan have been making an uproar these days in various propaganda media, describing the attempt of Li Teng-hui and Tsu Li-teh to go to attend the Hiroshima Asian Games "an ace played by Taiwan"; it is "an excellent opportunity" for the world to get to know of Taiwan's existence and hear its voice; it is also a "visiting opportunity" to "push ahead with substantial diplomacy" and "break through the diplomatic dilemma".

Lien Chan, Taiwan's "premier of the Executive Yuan", went so far as to advocate publicly that Li Teng-hui will

attend the Asian Games as "head of state". All these facts are sufficient to prove they are using the Hiroshima Asian Games to play an extremely dangerous political game.

As pointed out by international opinion, Li Teng-hui's proposed visit "can hardly materialize" and "is bound to fail". At this, the Taiwan authorities quickly brought Tsu Li-teh out, anticipating that perhaps he could squeeze into the Hiroshima Asian Games. The essence of the matter and its gravity remain fundamentally the same. No matter what the pretext for his presence, Tsu Li-teh's official title is "vice-president of the Executive Yuan". He is one of the most senior political figures in Taiwan. This fact cannot be changed. If people like Tsu could squeeze into the Hiroshima Asian Games, it would be a deplorable precedent.

The creation of "two Chinas" or "one China, one Taiwan" is intolerable for the Chinese Government as well as the entire Chinese people. It concerns the state sovereignty and dignity of China. No one can imagine that the Chinese Government and people will give in even one inch on such a serious issue.

Time is pressing and the issue is stark. Since the Japanese Government has time and again claimed its position on adhering to the Sino-Japanese communique and upholding the one-China policy without any intentions to have official contacts with Taiwan, it should earnestly honor its obligations and take resolute measures to prevent both Li Teng-hui and Tsu Le-teh from entering Japan.

If such a ploy should succeed, the Hiroshima Asian Games would suffer, and it would have a grave impact on Sino-Japanese relations. The Japanese Government would have to bear the entire responsibility for this. No intrigue undermining the reunification of China or attempt to create "two Chinas" or "one China, one Taiwan" can ever succeed.

Groups Urge Japanese Government to Follow One-China Policy

OW1609163194 Beijing XINHUA in English 1618 GMT 16 Sep 94

[Text] Tokyo, September 16 (XINHUA)—Prior to the opening of the 12th Asian Games in Hiroshima, the Japanese Government was urged by Japan-China friendship groups and other persons to uphold the one-China policy by refusing the entry of any political figures from Taiwan.

The groups pointed out that a handful of people in Japan are trying to develop substantial relations with Taiwan at a time when both Li Teng-hui and Hsu Li-teh are attempting to attend the Hiroshima games.

They urged the Japanese Government to stick to the principles stipulated in the Japan-China Joint Communique of 1972 and the Japan-China Peace and Friendship Treaty of 1978.

Both documents reiterate that the People's Republic of China is the sole legitimate government of China, and that Taiwan is an integral part of China.

Hisahira Muraoka, director-general of the Japan-China Friendship Association, told XINHUA: "I strongly urge the Japanese Government to uphold the principles stipulated in both the joint communique and the friendship treaty, and to prohibit the entry of either Li Teng-Hui or Hsu Li-teh."

He said China has made great contributions to the Hiroshima games. For the success of the 12th Asian sports festival, no political ploy should be allowed to succeed at the expense of the unity of Asian peoples.

Japanese Senator Hideo Den said, "Hsu Li-teh, 'vice president of the Executive Yuan of Taiwan', is a political figure. His entry into Japan would be a violation of the one-China policy, and also embroil sports in politics."

Keio Nakada, chairman of Japan's Association for the Promotion of International Trade, said, "Our association calls for both countries to stick to their joint communique and the friendship treaty. We are opposed to any obstacles in the development of the friendly co-operation between our governments and the peoples."

Qian Qichen Meets With U.S. Satellite Manufacturer

OW1609223694 Beijing XINHUA in English 1546
GMT 16 Sep 94

[Text] Beijing, September 16 (XINHUA)—Chinese vice-premier and Foreign Minister Qian Qichen met here today with C.M. Armstrong, chairman of the Hughes Company, one of the leading satellite-manufacturers in the United States.

During the meeting the Chinese foreign minister said that he greatly appreciated the close co-operative relationship that has developed between Hughes and the China Space Industry Corporation over the past decade.

"This co-co-operation has played an active role in bringing China-made Long-March carrier rockets into the international commercial satellite launching market," he said.

"China is willing to maintain close co-operation with such leading international firms as Hughes and jointly promote the development of international space technology," he said.

In recent years China's Long-March carrier rockets have launched five Hughes-made satellites, including Asiasat-1, Optus B1, Optus B2, Optus B3 and Asia-Pacific Sat-1. China will launch the Hughes-made Asia-Pacific Sat 2 earlier next year.

The Hughes Company delegation arrived here Wednesday [14 September] for a week-long visit.

Liu Jiyuan, general manager of the China Space Industry Corporation was present at today's meeting.

Chinese Delegate Calls For Respect of Sovereignty

OW1609132394 Beijing XINHUA in English 1313
GMT 16 Sep 94

[Text] Copenhagen, September 16 (XINHUA)—A senior Chinese delegate said here today that the prime issue in building a new international order is mutual respect of sovereignty and mutual non-interference in internal affairs.

Speaking during a debate at the 92nd congress of the Inter-Parliamentary Union (IPU), delegate Cao Zhi said that as the world structure changes from the old to the new, countries throughout the world are urgently calling for the establishment of a fair and equitable new international political and economic order.

This new order must be based on these five principles: mutual respect for sovereignty and territorial integrity, mutual non-aggression, mutual non-interference in internal affairs, equality and mutual benefit, and peaceful coexistence.

"The world we live in is a colorful place. Countries in the world differ from one another not only in social systems, concepts of value and ideology, but also in historical background, religious beliefs, tradition and culture.

"They can expand cooperation, enhance exchanges and live in harmony only when recognizing these differences and respecting each other," Cao said.

He reaffirmed the Chinese stance that the imposition of one's own concept of value and social models upon others will inevitably result in tension and confrontation between states.

"The only correct way of resolving disputes between states is to strive for a fair and reasonable solution through peaceful negotiations," said Cao, who heads the Chinese delegation to the IPU meeting.

On international economic ties, Cao said that long-standing inequality in such relations has resulted in mounting debt burdens and worsening terms of trade that have impeded economic development in developing countries.

He strongly demand the reversal of the widening gap between the Northern and Southern hemispheres, and the establishment a new international economic order based on equality, fairness and reason, mutually beneficial cooperation and common development.

The six-day 92nd IPU congress opened here Monday with more than 500 delegates from some 130 countries attending. Participants at the meeting have been discussing issues such as strengthening international cooperation and individual national action to support social and economic development, combat poverty, and promote human rights.

On Thursday night, Danish Prime Minister Poul Rasmussen met with Cao and his delegation, and Cao conveyed greetings from Chinese Premier Li Peng to the prime minister.

Delegate Head Previews GATT Reentry Talks in Geneva

*OW1709140494 Beijing Central Television Program
One Network in Mandarin 1100 GMT 17 Sep 94*

[From the "National News Hookup" program]

[Text] The 10th Sino-U.S. consultations on China's reentry into GATT will take place in Geneva next Monday [19 September]. In addition to negotiating with the United States on China's reentry protocol, the Chinese delegation will also have consultations with the European Union and other contracting parties. Before his departure, Long Yongtu, chief of the Chinese delegation, granted an interview with a reporter of our station.

[Begin recording] [Reporter] Chief Long, your forthcoming trip to Geneva to attend the negotiations about China's GATT reentry will be your sixth trip to Geneva this year. China has yet to become a GATT member despite the many years of negotiations. Why are the negotiations so difficult?

[Long Yongtu] Everybody knows that political issues pose the biggest problem—in other words, political factors are interfering. I do not want to criticize any negotiating parties prior to the negotiations. I think that impartial international public opinion will (?uphold) justice in the GATT's conference hall. The point I want to stress now is that the forthcoming negotiations on China's GATT reentry will also be very complex economic negotiations. During the negotiations, we have to discuss the tariff rates of more than 6,000 kinds of products which China will import and negotiate the timetables for removing the import licenses and quotas of more than 700 kinds of products. We will also negotiate the compatibility of China's foreign economic and trade regulations with those of the world. Thus, in a sense, our GATT reentry negotiations reflect a very profound reform of China's economic system, as well as the complex and formidable nature of the work of incorporating China, which is an enormous economic entity, with the world economy.

[Reporter] What will be the primary focus of discussion during the negotiations? What is your assessment of the negotiations' results?

[Long Yongtu] The forthcoming negotiations will be comprehensive, working negotiations based on our submission of the package plan in August for China's GATT reentry. During the negotiations, we will handle many substantive issues, such as tariffs, non-tariff measures, trade [words indistinct] as well as the provisions in our protocol. We have taken note of the joint declaration issued by the conference of the U.S., European Union, Japanese, and Canadian foreign trade ministers. The

joint declaration points out that China's GATT reentry negotiations should be concluded as soon as possible on the basis of mutually acceptable conditions under which privileges and obligations are balanced. We think that progress can be made in our GATT reentry negotiations as long as all parties concerned express political sincerity, do away with political interference, negotiate seriously, and act realistically. [end recording]

More on Upcoming Talks

*OW1609150794 Beijing XINHUA in English 1455
GMT 16 Sep 94*

[Text] Beijing, September 16 (XINHUA)—A senior Chinese official said here today that China's resolution to seek an early re-admittance to GATT is firm despite difficulties in the on-going negotiations.

"We are earnest about the negotiations, and our latest package of concessions is substantial," said Long Yongtu, assistant minister of foreign trade and economic co-operation (MOFTEC).

Long is to leave here Saturday [17 September] for Geneva as head of a Chinese delegation to attend the tenth round of Sino-U.S. talks on China's re-entry into GATT.

He said that re-entry into the multilateral trade body and becoming an original member of the future World Trade Organization are rights that China, a big country with a fast-growing economy and trade, cannot be deprived of.

The package, which was submitted to GATT at the end of last month, will slash China's overall tariff level by 55 percent, far beyond the average 33 percent reduction pledged by other GATT parties during the Uruguay Round negotiations, Long said.

He noted that the most important thing is that the package has promised to abolish all the non-tariff measures on the import of agricultural products and to bind the tariff rates in that sector.

"This is a significant concession China has made, given the fact that the GATT contracting parties failed to keep agricultural products under GATT rules for decades," Long said.

And in the opening of trade in services, China has also conceded more than many other GATT members, he added.

"Our new package has made major improvements in opening up businesses such as travel agencies, civil aviation, sea transportation, legal services and value-enhanced telecommunication services," he said, adding that China is making efforts to open up its banking and insurance businesses.

The package has also provided a time-table to phase out non-tariff controls on the remaining 784 items, he said. China abolished such controls on 492 items last year.

The 784 items account for only 12 percent of the nation's total tariff table, Long said, but in 1987, a year after China formally applied to rejoin GATT, items subject to license management made up 55 percent of the nation's total import volume.

Long said it is reasonable for China to phase out its quota management on certain products, according to an agreed time-table, when many developed countries are still keeping their own.

For example, the textile agreement reached in the Uruguay Round still permits the GATT contracting countries, mainly the developed countries, to maintain textile quotas on more than 800 items for ten years.

Long said that the Chinese Government has taken notice of the joint statement of the recent conference of trade ministers from the United States, Japan, European Community and Canada, which declared that "The ongoing negotiations relating to China must be completed as soon as possible, on the basis of a mutually acceptable balance of rights and obligations."

China has no intention of seeking special privileges in the new multilateral trading system, he said. "We are only seeking a balance of rights and obligations in accordance with our current economic situation.

"So long as all parties to the negotiations adopt realistic attitudes, keep political interference out of the negotiation process and conduct the negotiations in serious way, it is possible to find a mutually acceptable balance of rights and obligation," he said.

To Bring 'Serious and Active' Attitude

HK1609151994 Beijing ZHONGGUO XINWEN SHE
in English 1246 GMT 16 Sep 94

[Text] Beijing, September 16 (CNS)—China's negotiation delegation for re-entry into GATT is to fly to Geneva tomorrow to hold the tenth round of negotiation with America on China's re-entry into GATT and exchange views with the European Economic Community and other signatory parties. China's negotiation group for market access arrived in Geneva earlier and is negotiating with over 20 countries in an all-round way. Before his departure, leader of China's delegation and Assistant to the Minister of Foreign Trade and Economic Cooperation, Mr. Long Yongtu, was interviewed by our reporter.

Mr. Long said China's attitude to the negotiation is serious and active. It has carried out its promise made at the eighteenth meeting of Chinese working group for GATT, submitting the package plan for China's re-entry to GATT at the end of August as required. He hoped the signatory parties would understand through negotiation on the package plan that China's promise to open its market would bring the world trade and signatory parties in particular the practical interests. He also asked the

signatory parties would set realistic requirements on China's obligations undertaken for its re-entry to GATT.

Mr. Long introduced that, in this package plan, China put forward an all-round tax reduction proposal on more than 6,000 categories of commodities. China has reduced its overall tax rate by 55 percent compared with that of 1992. As for non-tariff reduction, following cancellation of non-tariff measures posed on 492 categories of commodities made last year, China has given a set period of time for finally cancellation of non-tariff measures limiting 784 categories of goods.

In the item of agricultural products, Mr. Long said China has carried out its obligations promised in the Uruguay round of negotiations, namely canceling non-tariff measures posed on import of agricultural products and reducing tariff rate of all kinds of agricultural products.

In the item of service business, the assistant said China made further improvement on access to market of service business. Telecommunications industry, travel service, shipping transport and civil aviation can be expected to be more open. Banking and insurance industries would also open further.

Foreign experts, who attended the seminar on China's reentry to GATT and the international trade and economy held in Australia early this month, forecast that free trade measures unilaterally taken by China would bring other countries export income of US\$36 billion every year.

Talking about gradual reduction on non-tariff measures, Mr. Long said goods limited by non-tariff measures only constituted 12 percent of the total tax items in number. In 1987, when China just applied for re-entry into GATT, however, import value of commodities with quota permit constituted 55 percent of the total import value. The developed countries still kept many nontariff measures, said Mr. Long. According to the textiles agreement signed in Uruguay round of negotiation, quota permits for more than 800 categories of textile products would not be canceled till ten years after. Therefore, it is completely reasonable for China to keep a certain number of non-tariff measures in current time. What is important is that China gives a set of period of time for cancellation of these measures in the package plan.

Trade ministers of America, the European Community, Japan and Canada recently published a statement after their talks that negotiations on China's re-entry into GATT should be finished as soon as possible based on a balance of rights and obligations acceptable to each side. China noticed the statement, said Mr. Long. He also stressed that China had no intention of seeking any privilege in the world multilateral trade system by re-entry into GATT. China was ready to accept terms in which right and obligations strike a balance and are commensurate with its economic developing level.

Li Lanqing Reiterates Stand on GATT to Australian Visitor*OW1709040794 Beijing China Radio International in Mandarin to Asia 0900 GMT 14 Sep 94*

[From the "News" program]

[Text] Chinese Vice Premier Li Lanqing reiterated in Beijing on the afternoon of 13 September China's basic stand on the issue of restoring its signatory nation status in the General Agreement on Tariffs and Trade [GATT], saying that it will enjoy its entitled rights while fulfilling its obligations as a developing country.

Li Lanqing raised this issue when meeting with (Alexander Donald), visiting leader of Australia's opposition alliance, saying China's abovementioned stand has won understanding and support from most nations amid obstructions intentionally created by a small number of countries. What China finds most unacceptable is the classification of China as a developed country. He explained that, with only seven percent of the world's land area, China has managed to feed 22 percent of the world's population. A considerable portion of the Chinese population still lives in poverty.

Li Lanqing emphasized: If they insist in classifying China as a developed nation, then China will opt to stay away from GATT. He pointed out that excluding a big country like China from the world trade organization will benefit no one. China can still develop trade through bilateral and regional cooperation, and other channels.

Shanghai's Huang Ju Fetes Butrus-Ghali*OW1609174094 Beijing XINHUA in English 1424 GMT 16 Sep 94*

[Text] Shanghai, September 16 (XINHUA)—UN Secretary-General Butrus Butrus-Ghali, who first came to visit China ten years ago, praised the progress Shanghai has made in its economic development here today.

Shanghai Mayor Huang Ju gave a banquet in honor of the UN chief and his party here this evening.

Huang called Butrus-Ghali "an old and a good friend" of Shanghai and spoke highly of his contributions to the development of the peoples of the world and world peace.

Butrus-Ghali said that he was glad to visit Shanghai, which is now so vigorous, for the second time.

The city is the center of attention not only in the region and Asia, he said, but also worldwide.

He said he would like to visit Shanghai every year to see its rapid changes if possible.

The UN chief and his wife arrived here at noon today, accompanied by Liu Huaqiu, Chinese vice-minister of foreign affairs, and his wife.

Butrus-Ghali also visited the Pudong New Development Zone here this afternoon.

Butrus-Ghali Views UN Reform*OW1809074594 Beijing Central Television Program One Network in Mandarin 1100 GMT 16 Sep 94*

[Announcer-read report over video on interview with UN Secretary General Butrus Butrus-Ghali by unidentified station reporter in Beijing on 15 September; from the "National News Hookup" program]

[Text] The reporter asked: You signed an agreement on the 1995 World Congress on Women with China during this trip. What are your comments and suggestions on China's preparations?

Butrus-Ghali said: I am grateful to China for making the preparations to ensure a successful conference. Holding the conference in China will improve cooperation and contacts between China and the United Nations, as well as the international community. It will also improve the standing of China, a UN Security Council [UNSC] permanent member, in international affairs. Holding such an important conference in China will also promote development in social, economic, and other fields.

The reporter asked: Members of the UNSC will hold a summit meeting next year. Will the accession of Japan and Germany to the UNSC as permanent members be discussed at the meeting? If the two countries become UNSC permanent members, will they enjoy veto powers like the five other UNSC permanent members?

Butrus-Ghali said: This depends on whether we will increase the number of seats for UNSC members and permanent members—an issue which must be decided by the UN General Assembly.

The reporter asked: As the UN secretary general, do you think the United Nations needs to be reformed? What are your comments on and expectations of the United Nations, in terms of its prospects and roles in international affairs?

Butrus-Ghali said: I believe the United Nations is the only organization that strengthens international cooperation, coordination, and solution of international problems and conflicts. We will more effectively solve present and future problems in social, political, economic, and many other areas by strengthening the UN roles.

Liu Huaqi Sees Butrus-Ghali Off*OW1709174094 Beijing XINHUA in English 0818 GMT 17 Sep 94*

[Text] Shanghai, September 17 (XINHUA)—Butrus Butrus-Ghali, secretary-general of the United Nations (U.N.), left here for Tokyo by air this afternoon at the end of his visit to China.

Delivering a speech here this morning to social scientists, teachers and students of Fudan University, Ghali described Shanghai as "one of the most dynamic areas in the world's fastest growing economy."

He said that each time a visitor returns to the city, the changes are evident, adding: "The eyes of the world are watching Shanghai with wonder and admiration."

Mr. Deng Xiaoping's development strategy is not only to encourage rapid growth in Shanghai, but also to have Shanghai act as the head of the dragon that is the huge Chang Jiang River Basin extending deep into China's heartland, he added.

Ghali also spoke highly of China's contributions to the U.N., saying that China, as a permanent member of the Security Council, "has promoted UN efforts to meet the pressing needs of international security" and "consistently attached great importance to the UN role in international affairs".

On the Fourth World Conference on Women to be held in Beijing in 1995, Ghali said: "The timing of this fourth world conference is significant. It will take place at a high point in the celebration of the United Nations first half century."

Ghali also briefed the participants on major tasks that the UN is confronted with and answered questions.

Ghali who had paid a four-day visit to China at the invitation of the Chinese Government, was seen off at the airport by Chinese Vice-Minister of Foreign Affairs Liu Huaqiu and Vice-Mayor of the Shanghai Municipality Zhao Qizheng.

Jiang Russia, Europe Trip Cultivates 'Friendship'

OW1809074494 Beijing XINHUA in English 0718
GMT 18 Sep 94

["Round-Up": "Weaving Ties of Friendship Around the World"—XINHUA headline]

[Text] Beijing, September 18 (XINHUA)—With rich diplomatic achievements from his three-nation European trip, President Jiang Zemin returned to Beijing last week.

The tour, which took him to Russia, Ukraine and France, only lasted 11 days, but the agreements China signed with the three countries during the visit will be honest witnesses of the historical moment, guiding the future prospects of their relations.

The signing of the Sino-Russian joint declaration, which announced that the two would no longer target strategic nuclear missiles at each other, and the agreement on the western sector of the bilateral border have laid the foundation for a new type of partnership between them facing the 21st century.

The joint statement between China and Ukraine reaffirmed their common desire to develop long-term and

stable bilateral relations; while the contracts and letters of intent signed with France involving a total of 18 billion francs will surely push bilateral trade to a new height.

Similar agreements China has concluded with other countries are the fruits of their friendly relations. They are also legal insurance of the maintenance and further advancement of such friendly relations, said an official from the treaty and law department of the Chinese Foreign Ministry.

Treaties, including joint statements, agreements, conventions and manifestoes, signed between different nations based upon international law, have become vital and inevitable in present-day international relations, he said.

In the nearly 45 years since the founding of the People's Republic of China, the country has concluded some 11,280 bilateral treaties of various levels with different nations, and joined over 230 multilateral pacts.

Especially since the late 1970s, when China introduced the reform and open policy, the treaties it has signed with foreign countries each year have been twice as many as in previous years.

These treaties, said the official, are just like ties of friendship extending across the whole world, connecting China more closely with other parts of the earth.

In December, 1990, a procedural law on concluding treaties with foreign countries, the first of its kind in China, was promulgated by the Standing Committee of China's National People's Congress.

The law consummated China's internal legal procedures on the signing of agreements and led the work toward standardization and legalization.

On the categories of the treaties, the official said, the reform and opening up have brought about fresh developments. Many new types of agreements, such as agreements on mutual judicial assistance and extradition, agreements on investment protection and avoidance of double taxation, as well as on using nuclear energy for peaceful purposes and boundary agreements have come into being to fit the changed situation.

To date, China has signed mutual judicial assistance agreements with 21 countries, which help to solve problems in the course of legal proceedings caused by the different systems of different countries, and ensure the smooth processing and due punishment of criminals.

The boundary system agreements signed with neighboring nations, governing bilateral boundary issues, have promoted border trade and maintained the stability of the frontiers.

The drastic increase in economic cooperation agreements with foreign countries is another feature of China's treaty contracting during the past 15 years.

To attract more foreign capital and improve the investment environment, China has concluded investment-protection agreements with 65 countries to protect the just rights and interests of investors.

China has also concluded with 40 countries agreements on avoidance of double taxation, to avoid levying taxes twice on the same income.

Concluding loan agreements with international financial organizations and getting loans from individual countries have become an important channel for China to get international funds.

Since the restoration of its status in the World Bank in 1980, China's relations with international financial organizations have been growing rapidly.

Thus far, international financial organizations have provided China with all kinds of loans worth a total of over 23.4 billion U.S. dollars, among which the World Bank offered China the most—more than 19.3 billion U.S. dollars.

In the field of multilateral pacts, China has made remarkable achievements since it regained its seat in the United Nations in 1971.

According to the official, from 1949 to 1979 China joined only 40 multilateral agreements, while in the recent 15 years the number has increased to more than 190, which is almost five times as many as in the previous 29 years.

Among the 190 pacts, China has participated in many as a signatory nation, such as the United Nations Law of the Sea Convention and the Framework Convention on Climate Change.

These conventions and pacts cover all the aspects of international relations, including politics, diplomacy, law, economy and trade, customs, environmental protection, transportation, intellectual property rights, anti-terrorism, human rights and military affairs.

China's active participation in international legislative activities enhances its contacts with other countries and defends its legitimate rights and interests, said the Foreign Ministry official. This also means that it plays a positive role in safeguarding world peace, raising China's international prestige and promoting its modernization drive.

The guidance for China to contract treaties with other countries is the five principles of peaceful coexistence, with the purpose of meeting the mutual demands of the contracting parties and strengthening cooperation in various fields, he said.

With the changing world situation and the deepening of the domestic reform and opening up, the range and depth of China's treaties with other countries will be furthered.

In particular, China will become more involved in agreements on mutual judicial assistance, boundaries and environmental protection, he said.

Northeast Asia

Official Urges Japan To Cancel Invitation to Taiwan's Hsu

OW1809124594 Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 Sep 94 Morning Edition p 6

[Report on interview with Sun Pinghua, chairman of the China-Japan Friendship Association, by NIHON KEIZAI SHIMBUN reporter Moriyasu Okazaki on 16 September; place not given]

[Text] Beijing, 16 Sep—In an interview by NIHON KEIZAI SHIMBUN on 16 September, Sun Pinghua, chairman of the China-Japan Friendship Association, criticized Japan in connection with the issue of Taiwanese VIP's visiting Japan. He said the PRC could not ignore the general attitude in Japan that as long as Taiwan President Li Teng-hui did not visit Japan, it was all right for other Taiwanese officials to visit.

In particular, he pointed out that Japan's role in opening the way for hitherto unprecedented visits by prime ministerial-level officials would markedly violate the spirit of the Chinese-Japanese Joint Statement. Japan has indicated it has no intention of changing plans to allow Hsu Li-teh, Executive Yuan vice president (equivalent to vice premier), to visit.

Sun's comments clearly indicate, however, that the PRC takes an extremely hard-line attitude on the issue, and Japan will likely face difficulties in dealing with it.

The following is a summary of comments made by Sun:

1) There is a general attitude within the Japanese Government and among the Japanese public that the problem is settled as long as (President) Li Teng-hui cancels his visit. However, this is a serious mistake. It is hard to understand why, with the visit by Li Teng-hui's having been canceled, the Japanese Government would turn around to indicate it plans to allow Hsu Li-teh (executive yuan vice president) to visit Japan.

2) It is illogical to say the president cannot visit but the vice premier may do so. Hsu Li-teh is the only person in Taiwan serving in the position of vice premier. When Li Teng-hui did not attend the Asia-Pacific Economic Cooperation (APEC) meeting last fall, Taiwan sent a cabinet minister instead. That is to say, Taiwan has never sent a vice premier to such meetings so far.

3) The way Japan is currently handling the issue is tantamount to abolishing this traditional practice. If Japan's action were to be approved, Taiwan vice premiers in the future would be able to go anywhere they pleased at any time. Any way you look at it, it is not proper that Japan, which has historical ties and currently

has such friendly relations with the PRC, would give a helping hand to Taiwan to open the way for it in this direction. On the contrary, Japan should serve in the role of trying to dissuade Taiwan from pursuing its plans.

4) As discussions have not been held with sports officials, it is not proper for me to speak at this time about what may happen if Hsu Li-teh should visit Japan under the current circumstances. However, it must be pointed out that the issue is not simply a matter of concern for the Olympic Committee of Asia (OCA), but it is now a matter of concern for Japanese-Chinese relations and one that has yet to be settled.

Wang Guangying Meets Japanese Delegation

OW1609144994 Beijing XINHUA in English 1255 GMT 16 Sep 94

[Text] Beijing, September 16 (XINHUA)—Wang Guangying, vice-chairman of the Standing Committee of Chinese National People's Congress (NPC), met here this afternoon with the Tokyo Junior Chamber delegation for the 20th anniversary of Sino-Japanese exchanges at the Great Hall of the People.

The 27-member delegation, led by Okuyama Tadashi, honorary president of Japan-China Friendship Association of Tokyo Junior Chamber, arrived here yesterday. They are also scheduled to tour such places as Dunhuang, Xian, and Shanghai.

Tianjin Secretary Receives KYODO President

SK1909061694 Tianjin People's Radio in Mandarin 2300 GMT 17 Sep 94

[Text] On 17 September at the Lishunde Hotel, Gao Dezhan, secretary of the municipal party committee, cordially met with Yasuhiko Inukai, president of Japan's KYODO News Agency, and his entourage. Gao Dezhan warmly and friendly briefed the guests on Tianjin's situation in reform, opening up, and acceleration of development. He also stated Tianjin will open up wider in all directions, and hoped that Japanese press circles will propagate and report on Tianjin's situation in order to let the world better understand Tianjin.

Yasuhiko Inukai and his entourage was invited to visit the PRC by the XINHUA News Agency. Accompanied by Guo Chaoren, president of XINHUA News Agency, the Japanese guests toured the Folk Custom Museum, an ancient cultural street, the (Jixu) Museum, and Tianjin Tower. They also went sightseeing in the municipality, receiving a good impression of Tianjin.

During the reception, Gao Dezhan extended a welcome to the guests for their visit, saying: Thus far, 563 Japanese enterprises have invested in Tianjin, with the investment totalling \$700 million. Some noted large companies and enterprises—such as (NEG), [words indistinct], Honda, and Yamaha—have invested in

Tianjin. Tianjin has cooperated with Japanese entrepreneurs in a good manner, and is further strengthening that cooperation. In addition, Tianjin has established friendly relations with Kobe, Chiba, and Yokkaichi in Japan. This shows that Tianjin has close contacts with Japan in economic and cultural fields. Tianjin will further improve the investment environment in order to attract even more foreign traders to invest in Tianjin.

President Inukai responded: KYODO News Agency and other press media in Japan will expand their news coverage of Tianjin to let even more people understand Tianjin. Then Tianjin, a beautiful city with great potential, will certainly flourish even more.

Container Ship Departs For Japan Via New Shipping Route

OW1709194094 Beijing XINHUA in English 1311 GMT 17 Sep 94

[Text] Shanghai, September 17 (XINHUA)—The first container ship to sail the newly-opened shipping route between this, China's largest seaport and two Japanese harbors, Kobe and Osaka left here today.

The "Xiangda" belongs to the Shanghai Haixin Shipping Corporation, China's first shareholding company in sea transport.

The company has some 170 ships, sailing to more than 400 ports in the country and all over the world.

It only had regular container shipping services to Hong Kong and Pusan in the Republic of Korea before the new sea route to Japan was explored.

The "Xiangda", carrying 316 international-standard containers, will ply the route three times a month.

Tianjin Secretary Meets With ROK's Samsung Chairman

SK1609132594 Tianjin People's Radio in Mandarin 2300 GMT 13 Sep 94

[Text] Mr. Kang Chin-ku, chairman of Samsung Electronics Company Limited in the ROK, led a team to Tianjin to discuss and carry out cooperation projects agreed upon by Tianjin delegation during its visit to the ROK. While visiting the ROK, the Tianjin Municipal delegation was primarily devoted to observing and holding trade talks with Samsung Electronics Company Limited.

On the evening of 13 September at Lishunde Hotel, Gao Dezhan, secretary of the municipal party committee, met with Mr. Kang Chin-ku and his entourage. The host and the guests had a friendly conversation.

A few days ago, when heading the Tianjin delegation to visit the ROK, Gao Dezhan was received by Chairman Kang Chin-ku, and they reached a common understanding on building a comprehensive electronics products production base in Tianjin. Right after the visit by

Tianjin delegation, Samsung Electronics Company Limited convened a senior staff meeting to discuss this matter. Having decided to concentrate investment in Tianjin, the company established a survey team and mapped out the schedule for this work.

During the reception, Gao Dezhan extended a welcome to Chairman Kang Chin-ku for his visit to Tianjin, and expressed admiration for Samsung's highly efficient work and cooperation with Tianjin. He said: Tianjin pays extremely high attention to the cooperation with Samsung Electronics Group. The electronics industry constitutes the backbone industry of Tianjin. There has already been a solid foundation for the cooperation between Samsung Electronics Group and Tianjin. Based on this, the two sides should, on the one hand, build (Tongguang) Samsung Electronics Company Limited into a first class enterprise, and should, on the other hand, continuously expand the scope and sphere of cooperation. Both sides should make concerted efforts to complete as quickly as possible the construction of the comprehensive electronics products production base with the investment of Samsung Electronics Company. We are confident of this cooperation.

Chairman Kang Chin-ku said: Samsung Group has attached extremely high importance to the cooperation with Tianjin. In line with Secretary Gao Dezhan's opinion discussed during his visit to the ROK, we have decided to make an investment in building a large-scale comprehensive electronics products production base in Tianjin. At the same time, we will gradually expand the cooperation from the electronics industry to the petroleum, chemical, food, building materials, and heavy industries. We believe that the building of this base will certainly succeed, and this base will certainly enjoy brisk business.

Tianjin Mayor Meets With ROK's Samsung Chairman

*SK1609133194 Tianjin People's Radio in Mandarin
2300 GMT 13 Sep 94*

[Text] On 13 September, Mayor Zhang Lichang met with Kang Chin-ku, chairman of Samsung Electronics Company, and his entourage, and extended warm congratulations on the opening of business of the joint venture. He said: Provided with a solid foundation, Tianjin's electronics industry is one of the backbone industries of China. Tianjin's old electronics enterprises had a glorious history in the past. Now, their major problems are manifested as rigid mechanism, outmoded equipment, backward technology, and uncompetitive products.

Zhang Lichang said: On the one hand, these old enterprises urgently need to be renovated, and on the other hand, these old enterprises have created opportunity for your investment. Zhang Lichang said: The municipal government has regarded it a strategic task to help state-owned large and medium-sized enterprises cast off difficulties, and has formulated the policy of using about

eight years to graft, readjust, and renovate all state-owned large and medium-sized enterprises. Facts fully show that this will be a successful road for both Chinese and foreign sides.

Kang Chin-ku said: The honesty, efficient work, and hardship bearing spirit of Tianjin's people have left a deep impression on us. He also expressed: Samsung Group will also organize large-scale cooperation with Tianjin in the fields of the petrochemical industry, the chemical fiber industry, and other heavy industries.

Tianjin Mayor Meets With Korean Airlines Chairman

*SK1609233694 Tianjin TIANJIN RIBAO in Chinese
6 Sep 94 p 1*

[Text] Mayor Zhang Lichang met with Mr. Cho Chung-hun, chairman of ROK's Hanjin group and chairman of the Korean Airlines, and his party at the lounge for honored guests on 5 September. Amid the friendly atmosphere, the host and the guests thoroughly explored ways for further strengthening the cooperation in the sea and air transportation spheres and for pioneering the regular scheduled flight between Tianjin and the ROK.

The Hanjin group is a considerably large, forceful transportation enterprise in the ROK. Korean Airlines is the third largest cargo service company in the world. Mr. Cho Chung-hun and his party visited Tianjin this time in order to hold talks on the formal opening of the regularly scheduled flight between Tianjin and Seoul as well as on cooperation in the air and sea freight transportation spheres. Zhang Lichang welcomed the guests. He said: Tianjin has good cooperation ties with the Hanjin group and Korean Airlines. The Tianjin municipal government and its functional departments will positively support the formal opening of this air route and the progress of relevant cooperation items.

So far, cooperation ties between Tianjin and the ROK have been developed to a new stage. Through the exchange visits between the high-ranking personages of Tianjin and the ROK, new tides of economic contacts and cooperation have taken shape. Increasingly more Korean businessmen have made investment in Tianjin. This has also created a favorable opportunity for cooperation in the transportation sphere.

Cho Chung-hun said: Tianjin is the gate of China's capital as well as the window of China through which China opens itself to the outside world. We are willing to closely cooperate with Tianjin and also to ceaselessly expand the spheres and scale of cooperation. He thanked the Tianjin Municipal government and the relevant departments for their support and cooperation to promote the opening of the scheduled flight. Vice Mayor Li Huifen and responsible persons of the municipal foreign affairs office, the port committee, and the civil aviation administrative bureau were present during the talks.

Southeast Asia & Pacific

Burma's Khin Nyunt Tours Yunnan Province

BK1609131094 Rangoon TV Myanmar Network in
Burmese 1330 GMT 15 Sep 94

[Excerpts] The Myanmar [Burmese] goodwill delegation led by Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council, which visited the People's Republic of China at the invitation of Luo Gan, secretary of the State Council of the PRC, accompanied by Mr. Zhang Jiahua, deputy director general of the Asian Division of the PRC Ministry of Foreign Affairs, left Beijing by air 1100 on 11 September and arrived at 1530 in Kunming, Yunnan Province. [passage omitted]

In the evening at 1830, Secretary-1 Lt. Gen. Khin Nyunt called on Mr. He Zhiqiang, governor of Yunnan Province, at the (Yei Fin Hai) Conference Hall in the Kunming Hotel. During the meeting the two exchanged views on the promotion of friendship between the PRC and Myanmar, the further acceleration of bilateral economic cooperation, the control of narcotic drugs, and investment matters. Later in the evening, Yunnan Governor Mr. He Zhiqiang hosted a dinner at the (Tangshao) dining room in the Kunming Hotel. Lt. Gen. Khin Nyunt and Mr. He Zhiqiang exchanged toasts and gifts at the dinner. [passage omitted]

On 12 September morning, the Myanmar goodwill delegation led by Secretary-1 Lt. Gen. Khin Nyunt, accompanied by Yunnan Governor He Zhiqiang, left Kunming and arrived in Jinghong, capital of Xishuangbanna region at 1030 local time. [passage omitted]

Secretary-1 Lt. Gen. Khin Nyunt and party went to the Crown Hotel in the Jinghong tourism development zone, where they were briefed by Yunnan Governor He Zhiqiang and Jinghong Governor (Taung Hsin Hua) on the infrastructure of Jinghong, the projects being implemented in the zone, the domestic and foreign investment situations, and the prospects for tourism in Jinghong.

At the briefing, Lt. Gen. Khin Nyunt noted that Jinghong in Yunnan, Keng Tung in eastern Burma, and Chiangmai [name of town as heard] in Thailand were fraternal cities sharing a (?common) culture and had had contacts with each other for generations. Hence, efforts should be made for the promotion of friendship among these fraternal cities and their economic development. He said a road connecting Jinghong and Keng Tung already existed and the existing road only had to be upgraded. He said that as the infrastructure improved, economic and social contacts would increase. He added that the tourism development endeavors of Jinghong would contribute to the economic development of other fraternal cities. He said there were plans to develop tourism in Keng Tung and that he desired cooperation to promote friendship among the three cities and accelerate

development. He therefore said that he invited cooperation. The secretary-1 and party inspected the Crown Hotel and signed the visitors' book.

The secretary-1 and party then left for Jinghong jetty where they boarded a launch for a cruise along the Mekhong River and visited a Tai village. [passage omitted]

In the evening, Mr. (Dao Aik Min), governor of Xishuangbanna, hosted a dinner in honor of the secretary-1 and his delegation. [passage omitted]

At 0845 on 13 September, Lt. Gen. Khin Nyunt and party visited the Kunming Steel Plant. [passage omitted] Later, Lt. Gen. Khin Nyunt and party visited the Kunming Electrical Goods Factory. [passage omitted] At 1200, Kunming Mayor Mr. (Wun Qin Qian) hosted a luncheon in honor of Lt. Gen. Khin Nyunt and his delegation at (Min Hkan) Hall in the Kunming International Trade Center. [passage omitted] Next, Lt. Gen. Khin Nyunt and party visited the Yunnan Institute for Nationalities. [passage omitted]

At 1800, Lt. Gen. Khin Nyunt had a cordial meeting with Mr. (Pu Tao Tu), Yunnan Province party secretary, at the (Yu San Nai) Conference Hall in the Kunming Hotel. In the evening, Mr. (Pu Tao Tu) hosted a dinner in honor of the secretary-1 and his delegation at the (San Yu) Hall in the Kunming Hotel. [passage omitted]

At 1500 in the afternoon, the Myanmar delegation led by Brigadier General Abel, minister for national planning and economic development and U Than Shwe, minister of industry-2, held talks with the Yunnan Province delegation led by Governor Mr. He Zhiqiang at the (Tan Shao) Hall in the Kunming Hotel. [passage omitted] The talks covered matters relating to cooperation in upgrading and repairing roads; the construction of new bridges; the Taungyin Hydroelectric Power project; the construction of small hydroelectric power stations, wood processing plants, jade cutting and polishing plants, and chemical plants; agriculture development in the Bhamo region; tourism; cooperation in aviation; the hotel industry; trade; the eradication of the cultivation of narcotic crops along the border between Myanmar and Yunnan; narcotic drugs control; and the exchange of information and cooperation among low-level drug squads.

At 0900 on 14 September, Secretary-1 Lt. Gen. Khin Nyunt and the Myanmar goodwill delegation, accompanied by Yunnan Governor Mr. He Zhiqiang, visited the Kunming hand tractor factory. [passage omitted] Secretary-1 Lt. Gen. Khin Nyunt and party arrived at Kunming Airport at 1330 and left for Yangon [Rangoon].

CPPCC Vice Chairman Meets Malaysian Entrepreneurs

OW1709065094 Beijing XINHUA in English 0638
GMT 17 Sep 94

[Text] Beijing, September 17 (XINHUA)—Wang Zhaoguo, vice-chairman of the National Committee of the

Chinese People's Political Consultative Conference (CPPCC), met with a delegation from the Magnum Corporation Berhad of Malaysia led by its executive chairman Lim Bok Yeng here this morning.

The Magnum Corporation, one of the major commercial groups in Malaysia, has invested nearly 800 million yuan (renminbi) in six large projects in China's four cities of Beijing, Guangzhou, Dalian and Shenyang.

During the meeting Wang, also head of the United Front Work Department of the Chinese Communist Party Central Committee, expressed his welcome to the corporation's active involvement in China's economic construction.

Wang also briefed the visitors on China's reform and opening up as well as foreign investment.

The delegation arrived here on September 15 as guest of the All-China Federation of Industry and Commerce to take part in an inaugural ceremony for a joint venture of the first phase project of the Royal International Club in Beijing.

Singapore Minister at Opening of Suzhou Industrial Park

HK1609150994 Beijing ZHONGGUO XINWEN SHE in English 1119 GMT 15 Sep 94

[Text] Nanjing, September 15 (CNS)—Samsung Corporation of South Korea has decided to requisite 33 hectares of land in Suzhou Industrial Park to build a comparatively independent Samsung Industrial District with an investment of U.S.\$500 million. The project, together with 13 other investment projects, signed contracts at Suzhou Zhuhui Hotel yesterday. This marked the opening of a large-scale investment in Suzhou Industrial Park, which is a Sino-Singaporean joint development. The signing ceremony for these projects were attended by Mr. Yeo Cheow Tong, Singaporean Minister for Trade and Industry, Mr. Yang Xiaotang, secretary of municipal Party committee of Suzhou as well as some prominent figures.

It is planned that Suzhou Industrial Park, which covers an area of 70 square kilometers, will be constructed in three phases. Since May this year, the first phase to develop eight square kilometers has started. Contracts for the first batch of 14 projects have also signed yesterday with an investment amounting to U.S.\$ 871 million, involving industries of electronics, articles for health, precision plastics, production of machinery, transport services, food and beverage, property, etc. These 14 projects will need 92 hectares of land, accounting for 82 percent of the Park's two square kilometers of land that is regarded as a land for initial development. Investors of these projects come from countries and regions like Singapore, Korea, America, Japan, New Zealand, Australia, Hong Kong, etc.

Not only are these projects comparatively large in investment amount but also mostly high in technology. Mr. Zeng Shi, Director of the Park Development Company Limited said yesterday, the signing of these 14 projects was a good beginning of the Park in attracting investment, which would in turn lead more and more investors from all over the world to develop Suzhou Industrial Park.

Li Lanqing Meets With Singapore's Yeo

OW1609182094 Beijing XINHUA in English 1414 GMT 16 Sep 94

[Text] Beijing, September 16 (XINHUA)—Chinese Vice-Premier Li Lanqing met with Yeo Cheow Tong, Singaporean minister of trade and industry, and his party here today.

The two sides exchanged views on the expansion of bilateral relations, especially trade and economic co-operation between the two countries.

Li also voiced the hope that Singapore would increase its investment in China's hinterland.

Minister Yeo and his party arrived here September 6 as guests of Wu Yi, Chinese minister of foreign trade and economic co-operation, the visit is designed to give them first-hand knowledge of China's reform and opening-up process and allow them to exchange views with Chinese leaders on the future of bilateral economic co-operation and trade.

At noon today, Wu met with the Singaporean visitors and hosted a luncheon in their honor.

Thailand Company Starts Building Special Zone in Shantou

OW1609155194 Beijing XINHUA in English 1518 GMT 16 Sep 94

[Text] Guangzhou, September 16 (XINHUA)—The Chia Tai Group of Thailand today started the construction of an industrial and trade development zone in Shantou, one of China's special economic zones in south China's Guangdong Province.

Along with the ground breaking for the development zone, the group also began the construction of a stadium donated by the group in nearby Chenghai City.

The industrial and trade development zone, named after the Chia Tai Group, covers a total area of 186 ha [hectares] with an investment of 180 million yuan for the first-phase construction. Now under construction is an area of 60 ha with 220,000 sq m. [square meters]

The stadium, to be built with 40 million yuan donated by the Chia Tai Group, will cover an area of 2.33 ha, with 10,000 sq m of floor space.

Vietnamese Vice Premier To Visit 22-29 Sep

OW1609152694 Beijing XINHUA in English 1513
GMT 16 Sep 94

[Text] Beijing, September 16 (XINHUA)—Vice-Premier Phan Van Khai of the Government of the Socialist Republic of Vietnam will pay a working visit to China from September 22 to 29 at the invitation of Chinese Vice-Premier Zhu Rongji.

Chinese Foreign Ministry Spokesman Chen Jian made this announcement here today.

PRC Leaders Improve Conditions for Jailed Australian Businessman

HK1709064994 Hong Kong SOUTH CHINA
MORNING POST in English 17 Sep 94 p 9

[By John Kohut in Beijing]

[Text] Chinese leaders have promised to give jailed Australian businessman James Peng Jiandong a fair trial if his case goes to court, and have already improved the conditions of his detention, Australian Trade Minister Bob McMullan said yesterday. "I have received assurances that he will receive a fair trial, and I am sure he will receive consular access to his trial because that is the normal diplomatic stand," Mr McMullan said.

However, the family said there were no signs of back-down from the Shenzhen authorities. Peng's wife, Lina, said the Shenzhen People's Procuratorate confirmed to the family that they were still holding Li Kunmeng, Peng's brother-in-law, for investigation. Li was taken away on Friday last week from his Lufeng home and since then has not been able to communicate with his family. "If they have evidence to show Mr Peng is guilty, then they should put him on trial. If not—it has been almost a year—then they should release him," Mrs Peng said.

The assurances of fair trial came from Guangdong Vice-Governor Zhong Qiquan and Vice-Foreign Minister Liu Huaqiu. No date has yet been suggested for Mr Peng's trial, although Chinese leaders promised to expedite the matter. Peng, 35, is the former chairman of a Shenzhen-based company which involved a niece of senior leader Deng Xiaoping. The Chinese-born businessman was abducted from Macao last October, and has since been in detention in Shenzhen.

An Australian Embassy spokesman said relatives would be permitted to visit him twice a month. Throughout his 11-month detention, Mr Peng has been denied the right to see his family. Mail was now getting to him and he is also now to get better medical attention.

While pleased about these improvements, the Australian minister made clear his government believed Peng should be freed from detention. "The core of our representations ... was that if after all this time of detention, the Chinese Government had not been able to establish

a case against him they must consider whether such a case exists," Mr McMullan said.

"Secondly, that if his detention is to be extended, that they should review whether detention in prison is the appropriate form, or whether some other form of detention could be available through the Chinese legal system that allows him more freedom to go about his normal activities and meet his family," Mr McMullan said.

But he stressed: "We don't at this stage accept that the basis exists for a trial to be held at all." The minister had previously said that the enthusiasm of Australian businessmen for trading with China might be influenced by the outcome of the Peng case.

Australian Trade Minister Sees 'Thaw' in Relationship

HK1709070094 Hong Kong SOUTH CHINA MORNING
POST (BUSINESS POST) in English 17 Sep 94 p 3

[By John Kohut in Beijing and agencies]

[Text] Beijing is climbing down from its tough position on trade issues with Australia, a move which could help win Canberra's backing for Beijing's admission to GATT by the end of this year and could presage greater flexibility on concerns raised by other countries as well. "I think today we achieved a thaw," Australian Trade Minister Bob McMullan said in Beijing yesterday.

Although Mr McMullan declined to elaborate, China's new flexibility with Australia could mean that it will now yield more ground with other nations as well. Over recent months China has said that it can not and will not make further concessions as a condition for GATT entry. The United States has been particularly adamant about getting the Chinese to agree to economic and trade reforms before backing Beijing's GATT admission.

Mr McMullan yesterday said in his meetings with Chinese officials, including trade minister Wu Yi, he had expressed his government's disappointment with the terms of Beijing's GATT accession offer. "It seemed that the accession negotiations between China and Australia had become frozen, that no progress was being made," Mr McMullan said.

However, the Chinese have now agreed to be more flexible, particularly on wool, Australia's primary concern. Canberra is asking China, its main wool customer, for significant cuts in wool tariffs. "We have put forward proposals and Madame Wu Yi has indicated quite clearly that those new proposals will be the subject of consideration by her department and the other departments concerned," he said.

"I'm not suggesting we will get everything we asked for from these negotiations...but the tone and the content of the meeting this morning suggested that we will get more flexibility," he said. "My judgment is that we now have the prospect of considerable flexibility in the Chinese

negotiating position on the GATT accession negotiations and particularly as it relates to Australia's very important interest in the wool industry."

"I don't believe that the circumstances are going to arise where we cannot get a level of agreement such that we can pursue our objective of supporting China's reaccession to GATT," Mr McMullan said. "I was reassured by Wu Yi's statement that future levels of wool imports will not be less than the present level, and that it will improve on that basis."

Other GATT accession issues were discussed, including the service industries, but Mr McMullan declined to go into further details while these proposals were under bilateral discussion.

Meanwhile, Chinese Deputy Minister of Foreign Trade, Long Yongtao, said China took a serious and positive attitude to the GATT negotiations and was determined to complete the GATT talks as soon as possible. He leads a delegation to Geneva today for the negotiations with the US over China's re-entry into GATT. The negotiations will start on Monday [19 September].

West Europe

Britain's Standard Chartered Bank Opens Chengdu Office

OW1609171494 Beijing XINHUA in English 1532
GMT 16 Sep 94

[Text] Chengdu, September 16 (XINHUA)—The Standard Chartered Bank of Britain opened its 15th office in China today in this capital of southwest China's Sichuan Province.

The London-based bank will undertake such businesses as introducing foreign investment, loans and trading partners, and provide financial consultancy services. It is the first to start operations of the four foreign banks approved in Sichuan, according to officials from the Sichuan branch of the People's Bank of China.

With ten percent of China's population, Sichuan had over 5,000 foreign-funded enterprises by the end of this June.

Addressing the opening ceremony of the branch here tonight, Malcolm Williamson, chief executive officer of the bank, said Sichuan's ambitious economic development plans had left a deep impression on him. The Standard Chartered Bank is willing to participate in the economic development of Chengdu and Sichuan as a whole and help make Chengdu a regional commercial and transportation center.

The bank has so far opened branches in Shanghai, Shenzhen, Xiamen, Zhuhai, Tianjin and Nanjing as well as representative offices in Beijing, Guangzhou, Dalian, Hangzhou, Ningbo, Nanning, Qingdao and Chengdu.

Song Jian Meets With Finland's Trade, Industry Minister

OW1609193394 Beijing XINHUA in English 1335
GMT 16 Sep 94

[Text] Beijing, September 16 (XINHUA)—Song Jian, Chinese state councillor and minister in charge of the Science and Technology Commission, met with Seppo Kaariainen, Finnish minister for trade and industry, and his party here Thursday [15 September].

They exchanged views on promoting bilateral co-operation in economy, science and technology.

Kaariainen, leading a Finnish Government science and technology delegation, is here on a week-long visit to China.

German Bankers Express Interest in Shanghai

OW1709071394 Beijing XINHUA in English 0652
GMT 17 Sep 94

[Text] Shanghai, September 17 (XINHUA)—German bankers are showing interest in and full of confidence of Shanghai's banking future.

According to Dr. Albrecht Schmidt, chairman of the board of directors of the Vereins Bank, one of the three major private banks in Germany, Shanghai's economic strength and blueprint will enable it to become the third banking center in the Asian and Pacific region after Tokyo and Hong Kong within ten years.

Dr. Albrecht Schmidt is visiting this largest economic center in China. He opened a representative office here earlier this week.

Germany's Dresdner Bank already has an office in Shanghai.

Shanghai's banking service has been booming since the municipal government decided to develop the city into an international financial center a couple of years ago.

At present, Shanghai has housed 2,260 banking organizations from other parts of the country and overseas. Included are more than 100 foreign-funded banking institutions.

The city approved the establishment of 2,722 foreign-funded enterprises involving a contractual investment of seven billion U.S. dollars in the first eight months of this year, same as the total figure of the whole year 1993.

Power Station Equipment Contract Signed With German Firms

OW1709210094 Beijing XINHUA in English 0725
GMT 17 Sep 94

[Text] Guangzhou, September 17 (XINHUA)—Chinese companies have signed a contract with their German

counterparts on importing main equipment for the second construction stage of a power station in Guangdong Province.

The power station is to pump and store water for generating electricity.

The contract was signed between the China National Technical Import and Export Corporation, the Guangdong Pumping and Storing Water Power Station Company, and the Volth Company and the Siemens Company of Germany.

The construction has received 200 million U.S. dollars loaned by the Asian Development Bank, and a syndicate loan of 63 million U.S. dollars.

The second stage construction includes the installation of four units each with a generating capacity of 300,000 kilowatts, same as the first construction phase.

According to the plan, the first generating unit will go into operation in early 1999.

Irish Minister Discusses Northern Ireland, Human Rights

HK1609133494 Hong Kong AFP in English 1230 GMT 16 Sep 94

[Text] Beijing, Sept 16 (AFP)—Irish Foreign Minister Dick Spring stressed here Friday [16 September] London and Dublin's mutual resolve to secure lasting peace in Northern Ireland, expressing confidence this would see them through any difficulties.

While reiterating that the next major steps in the process were Loyalist reciprocation of the two-week-old Irish Republican Army (IRA) ceasefire and the British government's acceptance of the truce's permanence, Spring emphasised that patience was also needed on Dublin's part. "I feel that the Irish government has to be prepared to provide space and time for both the British government and the Unionist population ... we should be able to understand the concerns being expressed," the foreign minister, who arrived Wednesday for a four-day visit, told AFP in an interview.

Spring, who is making the first visit here by an Irish foreign minister since 1982, said he briefed Chinese Premier Li Peng, Foreign Minister Qian Qichen and Vice Premier Li Lanqing on the situation in Northern Ireland. They "welcomed the announcement of the ceasefire," he said, adding that Beijing, a permanent member of the UN Security Council, "recognises that Northern Ireland is the last remaining area of conflict in the European Union (EU) and as such is an anachronism in 1994." "Effectively every day without violence is a major step forward for peace in Northern Ireland," Spring said, stressing the importance of avoiding outbreaks of violence by Loyalist militants.

The Irish foreign minister's comments came amid reports in Britain and Ireland that British Prime Minister John Major was to travel to Belfast Friday, where

the Irish Times newspaper in Dublin said he may make a "significant statement" on the peace process. Major was to attend a commemoration service for 29 security personnel killed in the crash of an army helicopter off Scotland last June, sources in Belfast said.

Major's office and the Northern Ireland ministry declined to comment on the reports. The sources said Major would use the visit to reassure Ulster Protestants skeptical over the IRA ceasefire.

The British government has not yet recognised the ceasefire as permanent, while Dublin has wholeheartedly embraced it, expressing fears that any delay in opening talks with the IRA's political wing, Sinn Fein, will be used by Loyalists to undermine the truce.

"I believe that the strength, the resolve and the determination between both governments to overcome these problems together will bring us through any difficulties that are there at the present time," Spring said. "The resolve that brought us the Downing Street declaration last December, I am satisfied will bring us through again," he said. The declaration, signed by the British and Irish governments, offered Sinn Fein a part in political talks on Northern Ireland's future provided the IRA, which draws its support from the Catholic community and opposes British rule in the province, renounced violence and kept the pledge for three months.

At a reception later at the Irish embassy, Chinese Vice Foreign Minister Jiang Enzhu said, "we hope to see further progress in the peace process in Northern Ireland with concerted efforts of Ireland and Britain and all the parties concerned."

[Hong Kong AFP in English at 1256 GMT on 16 September carries a similar report, which adds the following: "Spring said Chinese leaders had also emphasised their interest in developing ties with EU, of which Ireland is to take over the presidency in 1996. 'I got the feeling that they see the European Union as the stability ... for our part of the Western world,' he said.

["Spring rejected suggestions that European leaders had put the issue of China's human rights record on the back burner in favour developing commercial ties, pointing rather to "better understanding" of Beijing's difficulties in coping with a population of 1.2 billion. He said he had brought up the subject, citing specifically the case of Wei Jingsheng, China's most famous dissident who was detained in March after being released from nearly 15 years in prison for "counter-revolutionary" crimes.

["On economic ties, Spring, who leaves here Saturday for Hong Kong, said the two sides had discussed ways to narrow China's 144.7 million Irish pound (214.1 million dollar) trade surplus. Direct bilateral trade totalled 184.7 million pounds in 1993, up more than 100 percent on 1991. Indirect exchanges via Hong Kong doubled the figure."]

Li Lanqing Meets Irish Minister

*OW1609181894 Beijing XINHUA in English 1409
GMT 16 Sep 94*

[Text] Beijing, September 16 (XINHUA)—Chinese Vice-Premier Li Lanqing met here today with Dick Spring, deputy prime minister and foreign minister of the Republic of Ireland, here today.

The two sides exchanged views on the expansion of bilateral relations, especially trade and economic co-operation between the two countries.

Briefing the guests on China's reform and opening-up, Li said that his country's economic development provides a solid base for its trade and economic co-operation with other countries, and favorable conditions for co-operation between China and Ireland.

The two governments should make more efforts and explore new avenues for mutually beneficial co-operation, while giving incentives for exchanges and co-operation between businesses of the two countries, Li said.

Spring noted the smooth development of bilateral relations, voicing the hope that the trade and economic co-operation would be further expanded.

There exists no obstacle to the development of the friendly relations and co-operation between the two countries, Spring said. He expressed the hope that his visit would inject new vitality into these relations.

During the meeting Spring extended an invitation to the Chinese vice-premier to visit Ireland at his convenience. Li accepted with pleasure.

Italy's Trade Minister Calls For More Cooperation

*OW1609171794 Beijing XINHUA in English 1538
GMT 16 Sep 94*

[Text] Shanghai, September 16 (XINHUA)—Italy plans to seek more co-operation with China, according to an Italian foreign trade official.

Giorgio Bernini, Italian minister of foreign trade, told a Shanghai business fair held in the Italian City of Milan that more Italian companies will be sent to China next year to seek co-operative partners.

He expressed the hope that China and Italy would strengthen their co-operation in high technology and new equipment.

The minister also said that the Italian Government is willing to make contributions to the expansion of trade and technical co-operation between the two countries.

This was the first Shanghai commodity fair held in Italy. Malko Formentini, mayor of Milan, and other government officials took part in the opening of the fair and showed great interest in the products produced in Shanghai.

The mayor said that the fair will further promote economic and trade co-operation between Milan and Shanghai. He also revealed that he is to visit Shanghai in October this year.

Political & Social

Qiao Shi Addresses NPC Anniversary Meeting

3,000 Attend Meeting

OW1709012594 Beijing XINHUA Domestic Service in Chinese 1114 GMT 15 Sep 94

[Text] Beijing, 15 Sep (XINHUA)— Representatives from all circles in the capital, over 3,000 in all, gathered for a grand meeting at the Great Hall of the People this afternoon to mark the 40th anniversary of the founding of the Chinese National People's Congress [NPC].

Qiao Shi, member of the Standing Committee of the Politburo of the CPC Central Committee and chairman of the NPC Standing Committee, delivered an important speech at the commemorative meeting. He pointed out: The people's congress system is an organization of political power with Chinese characteristics that has its roots in the vast land of China. The system, which was instituted following the republic's birth, represents a choice of history and the wishes of the people. In line with the overall situation of the state and requirements of our tasks, we must continue our efforts in strengthening socialist democracy and the legal system, uphold and further improve the people's congress system, and bring into better play the role of this organ of state power.

Hung inside the Wanren Auditorium at the Great Hall of the People today were two huge horizontal scrolls inscribed with the words: "Uphold and Improve the System of People's Congress Under the Guidance of Comrade Deng Xiaoping's Theory on Building Socialism With Chinese Characteristics" and "Strengthen Socialist Democracy and the Legal System and Promote Reform, Development, and Stability Under the Guidance of the Theory on Building Socialism With Chinese Characteristics." The national emblem on the rostrum was flanked with red banners. The atmosphere was solemn and stately.

At 1500 hours, Tian Jiyun, member of the Political Bureau of the CPC Central Committee and vice chairman of the NPC Standing Committee, declared the meeting open. The national anthem was played.

After that, Qiao Shi spoke. His speech was divided into three parts: 1) The system of people's congresses is a fundamental political system suited to the national conditions in China. 2) The momentous progress in the development of the people's congress system during the new period. 3) Make greater efforts in upholding and improving the people's congress system, and bring into better play the role of this organ of state power.

Qiao Shi said: Integrating Marxist theory of state with China's reality and basing themselves on a correct analysis of the nature of Chinese society and Chinese revolution, Chinese communists, with Comrade Mao Zedong as their representative, pointed out that the political

power that could be established in a semi-colonial and semi-feudal society like China after the victory of the new-democratic revolution could only be one of the people's democratic dictatorship led by the working class and based on the alliance of workers and peasants. The nature of this political power determines an organizational form of political power utterly different from the parliamentary system in the capitalist countries. It is also different from the Soviet system established in Russia in the wake of the October Revolution. Ours can only be a people's congress system practicing democratic centralism. Practice has amply demonstrated that the people's congress system is an organization of political power with Chinese characteristics that has its roots in the vast land of China. The adoption of this system following the republic's birth represents a choice of history and the wishes of the people.

Reviewing the momentous progress that has been made in developing the people's congress system during the new period, Qiao Shi pointed out: The people's congress has had a history of 40 years. The severe damage it suffered during the "Great Cultural Revolution" notwithstanding, the system evinced strong vitality. Summing up the historical experience since the republic's founding, and the painful lessons of the "Great Cultural Revolution" in particular, the Third Plenary Session of the 11th CPC Central Committee specifically proposed that the emphasis of party and state work be shifted to economic construction. Thereupon, China has entered a new historical period of reform, opening up, and the modernization drive; a political situation characterized by stability and unity has taken shape and persisted, socialist democracy has been restored and developed; people of all nationalities and the various democratic parties have become actively involved in state political activities, and the people's congress system and the functions of people's congresses have entered a new period of development. In the new historical period, the party and state attach great importance to developing socialist democracy, strengthening the socialist legal system, and upholding and improving the system of people's congresses. He said: Forty years of practice of the system of people's congresses in China, the past 16 years in particular, fully demonstrate that the people's congress system is closely bound with the destiny of the state and people. Whether or not we uphold and improve the system of people's congresses and take full advantage of it will have a direct impact on whether the state's political life is normal, correct policy decisions, a prosperous socialist cause, and the enjoyment of lasting peace and stability. Therefore, we must, at all times and under any circumstances, unswervingly uphold and improve the system of people's congresses and bring into fuller play the advantages and functions of this system.

Qiao Shi said: With the important talks given by Comrade Deng Xiaoping when he visited the south in 1992, and the 14th CPC National Congress as the hallmark, China's reform, opening up, and modernization drive has entered a new phase of development. The situation

at home and abroad these days has provided a rare opportunity for China's reform and development. We must seize this opportunity to intensify reform, open up wider to the outside world, promote development, ensure stability, and establish a preliminary socialist market economic structure by the end of the century, and attain the second-stage strategic objective of economic and social development. In line with the overall situation of the state and requirements of our tasks, we must continue our efforts in strengthening socialist democracy and the legal system, uphold and further improve the people's congress system, and bring into better play the role of this organ of state power. He emphasized the need to further improve the people's congress system. First, we must energetically push ahead with reform of the political structure and promote socialist democracy with Chinese characteristics. Second, we must attach great importance to developing the socialist legal system to ensure that there are laws to abide by, that laws already enacted are observed and enforced to the letter, and that violators are brought to justice. Third, we must bolster the supervision mechanism to expedite implementation of reform measures. Fourth, we must build closer ties between people's congresses at various levels and the people, and strengthen the organizational structure of bodies of state power. Fifth, exercising more effective party leadership represents the fundamental guarantee for upholding and improving the system of people's congresses.

Present at today's meeting were vice chairmen of the NPC Standing Committee, including Wang Hanbin, Ni Zhifu, Chen Muhua, Fei Xiaotong, Lei Jieqiong, Qin Jiwei, Li Ximing, Wang Bingqian, Pagbalha Geleg Namgyai, Wang Guangying, Cheng Siyuan, Lu Jiaxi, Buhe, Tomur Dawamat, Li Peiyao, and Wu Jieping; vice chairmen of the National Committee of the Chinese People's Political Consultative Conference including Wu Xueqian, Ngapoi Ngawang Jigme, and Seypidin Aze; State Councillor Luo Gan; President of the Supreme People's Court Ren Jianxin; leading officials of the central party, government, and military departments, the democratic parties, mass organizations, and Beijing City.

Text of Speech

OW1709061594 Beijing XINHUA Domestic Service in Chinese 1310 GMT 15 Sep 94

["Speech by Qiao Shi at a Meeting of All Circles in the Capital Marking the 40th Founding Anniversary of the People's Congress (on 15 September 1994)"]—XINHUA headline]

[Text] Comrades and friends:

Today, we solemnly assemble here to mark the 40th anniversary of the founding of the [National] People's Congress [NPC]. The commemoration is held for the purpose of further adhering to and perfecting the people's congress system and bringing into play the role of

the organs of state power in a better way to expedite the construction of socialist democracy and legal system and to guarantee and promote the smooth progress of reform, opening up, and modernization under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line, and in accordance with the provisions of the Constitution.

I. The People's Congress System Is a Fundamental Political System Suited to China's National Conditions

The founding of the PRC in 1949 ushered in a new era in which the people are the masters of their own affairs and which has never been seen before in the history of China. The "common program" adopted by the First Plenary Session of the Chinese People's Political Consultative Conference [CPPCC], which exercises the power of the NPC on behalf of the latter, determined that the political power system in China is the people's congress system. In the early period of the people's Republic after its founding, while striving to revitalize the national economy, we carried out a series of political and social reforms, improved the people's organization, and enhanced their consciousness in this respect, thereby preparing the conditions for the implementation of the people's congress system. As China entered into a new period of large-scale economic construction, the convocation of people's congresses at all levels was placed on top of our agenda to further consolidate people's democracy and fully arouse the enthusiasm of the masses of the people for participation in national construction. From the second half of 1953 to the first half of 1954, general elections of a unprecedented scale was held nationwide for the first time in China. Meetings of local people's congresses were successively held from the lowest to the highest level on the basis of the general elections. On 15 September 1954, the First Session of the First NPC solemnly opened. The first socialist Constitution of China drawn up by the session contained comparatively systematic provisions for the people's congress system and determined that the NPC is the highest organ of state power, that the NPC Standing Committee is its permanent organ, and that the State Council is the organ responsible for carrying out the decisions of the highest organ of state power and is, therefore, the highest administrative organ of the state. According to the provisions of the Constitution, the NPC session elects the PRC president, the NPC Standing Committee, the State Council, the Supreme People's Court, the Supreme People's Procuratorate, and other organs of the state. Thus, the political power system of China based on the people's congress was fully established and the state power began to be exercised in a unified way by people's congresses elected by the people. It was a major step taken to strengthen the building of the Chinese people's political power and marked an important milestone for the construction of socialist democracy and legal system.

What kind of a political system to be implemented by a nation is determined by its national conditions. It is a

product of social and historical development and has deep roots in the politics, economy, and culture. The society of the Old China was a semi-colonial, semi-feudal one. For more than a century, all classes and social forces revolved their fierce struggles around the issue of what kind of a national political system should be established. History fully shows that, in China, capitalist class constitutional monarchy or capitalist class republic has always been a fantasy and not workable. The puppet constitutional system which represented the interests of imperialism, feudalism, and bureaucrat capitalism was abhorred by the people. The CPC, which shouldered a heavy historical responsibility, led the people of all nationalities, united all the patriotic and democratic forces, and scored a victory in new-democratic revolution through an arduous struggle; and, meanwhile, it conducted unremitting explorations and practice for the purpose of establishing a new type of the people's political power. The worker-peasant-soldier Soviet during the Second Revolutionary Civil War [1927-1937], the assembly [can yi hui 0639 6231 2585] during the War of Resistance Against Japan [1937-1945], and the people's congress during China's War of Liberation [1945-1949] were new forms of organization of political power created by the party through its leadership over the people. They accumulated rich experiences for the implementation of the people's congress system after the founding of the people's Republic. CPC members with Comrade Mao Zedong as their representative integrated Marxist theory of the state with China's realities; correctly analyzed the nature of society and revolution in China; and pointed out that the political power to be established in such a semi-colonial, semi-feudal society as China's after scoring a victory in new-democratic revolution could only be people's democratic dictatorship led by the working class and based on the worker-peasant alliance. The nature of such a political power determined that the form of its organization is fundamentally different from the capitalist countries' parliamentary system and different from the Soviet system established in the USSR after its October Revolution, too, and that the form could only be the people's congress system under democratic centralism. Practice has fully proved that the people's congress system takes its root in the earth of China and that it is a form of organization of political power with Chinese characteristics. Our implementation of the system after the founding of the people's republic was a historical choice and conformed to the will of the people.

The essence of the people's congress system in China is that the people are the masters of their own affairs. The Constitution stipulates that all the powers of the PRC belong to the people. The organs for the people to exercise state power are the NPC and local people's congresses at all levels. People's congresses at all levels come into being through democratic elections; they shall be responsible to the people and under their supervision. The administrative, judicial, and procuratorial organs of the state are all elected by people's congresses and shall

be responsible to them and under their supervision and the division of the powers between the central and local organs of state power shall follow the principle of fully arousing the initiative and enthusiasm of localities under the unified leadership of the central authorities. According to the provisions of the Constitution, people's congresses shall coordinate the exercise of state powers and, under this prerequisite, shall clearly divide the administrative, judicial, and procuratorial powers of the state and leadership over the armed forces, so that organs of state power and administrative, judicial, and procuratorial organs may fulfill their respective duties and coordinate their actions. Organs of state power shall sum up the will of the people, represent their interests, and formulate laws and make decisions on major issues of the state, while administrative, judicial, and procuratorial organs of the state shall be responsible for enforcing the laws and implementing the decisions and shall accept supervision by organs of state power. This method can guarantee that state powers are under the control of the people, so as to facilitate their participation in the administration of the state, bring into full play their enthusiasm about and ingenuity in building socialism, and be conducive to state organs' rational, highly efficient operation. Just as Comrade Deng Xiaoping pointed out: "What we implement is people's congress system—a unicameral legislature. It is most suited to the actual conditions in China. If our policies and orientation are correct, such a system has very great benefits and is very helpful for China to prosper and avoid many implications." Therefore, the people's congress system is the fundamental political system most suited to China's national conditions and the Chinese people will use such a political system to guarantee that China advance along the socialist road.

II. The Major Development of the People's Congress System Under the New Period

Comrades and friends:

The people's congress has gone through a period of 40 years. Being seriously sabotaged during "The Great Cultural Revolution," the system still shows its great vitality. Summing up the historic experiences since the nation's founding, particularly the bitter lessons of "The Great Cultural Revolution," the Third Plenary Session of the 11th CPC Central Committee expressly proposed shifting the work focus of both the party and the state to economic construction that ever since brought the nation into a historic period of reform, opening-up, and modernization drive, during which we have been able to achieve and preserve political unity and stability and to restore and develop the socialist democracy; people of all nationalities and various democratic parties have been active in joining the state's political life; and the people's congress system and its related work have entered a new development stage. Under the new period, both the party and the state have attached greater importance to developing the socialist democracy, improving the socialist legal system, and adhering and perfecting the people's

congress system. Comrade Deng Xiaoping pointed out: "Without democracy, there will be no socialism nor socialist modernization drive." "To safeguard the people's democracy, it is essential to strengthen the legal system and institutionalize and codify democracy, making sure that systems and laws will remain unchanged when there is a change in both leadership and their views and attentions." This is a very important guiding thought for building socialism under the new situation. Comrade Deng Xiaoping also emphasized that, in the whole process of reform, opening-up and modernization drive, it is necessary to adhere to the principle of attaching equal importance to construction and legal system and be firm in handling them. This emphasis has enhanced the building of a legal system to a level of overall strategy. One of the very important aspects in building socialist democratic politics and institutionalizing and codifying democracy is the adherence and the perfection of the people's congress system. The "Resolutions on a Number of Historic Issues of the Party Since the Nation's Founding" adopted by the Sixth Plenary Session of the 11th CPC Central Committee, pointed out: "The gradual building of a highly democratic socialist political system has been one of the fundamental missions of socialist revolution. Failure in attaching importance to this mission since the nation's founding was one of the important conditions that sparked off 'The Great Cultural Revolution' and a bitter lesson to learn. It is essential to strengthen state organs at various levels in line with the principles of democratic centralism, making the people's congresses at various levels and their standing organizations authoritative organs of the people." The construction of the people's congress system under the new period should be conducted according to the abovementioned guiding thought.

In accordance with the party's basic principles on developing socialist democracy and improving the socialist legal system, and in consideration of China's practical conditions and requirements, the 1982 Constitution and other laws enacted or amended before and after 1982—including the Election Law and the Organic Law—have made a series of new, important provisions designed to improve the people's congress system. They are primarily as follow: 1) The improvement and perfection of the elections system. Voting rights and the rights to be elected are an important aspect symbolizing the people exercising the state power. To ensure the free exercise of the people's voting rights, the Election Law has stipulated the nomination procedures, under which the people may fully and democratically propose their candidates from the lowest to the highest levels; political parties, the mass organizations, and the electorates or their joint representatives may also nominate their candidates according to law; equal elections [deng e xuan ju 4583 7345 6693 5282] has been replaced by differential elections [cha e xuan ju 1567 7345 6693 5282]; and the scope of direct election of deputies to the people's congresses has been extended to the county level.

2) The expansion of the functions and powers of the NPC Standing Committees and strengthening of their organization. In view of China's large territory and population, NPC deputies should not be too few in number, whereas too many of them may not facilitate its day-to-day work. A smaller size of NPC Standing Committees—the standing organs of the NPC—will be in a better position to call regular meetings during which strenuous legislative and related matters will be handled. Hence, the appropriate expansion of the functions and powers of the NPC Standing Committees is an effective measure in strengthening the people's congress system. The Constitution has stipulated that the NPC and its standing committees shall jointly exercise the state legislative power; that the NPC standing committees shall have the power to formulate all laws except the basic laws which have to be enacted by the NPC itself; and that members of the NPC Standing Committees shall refrain from holding positions in state administration and judiciary and procuratorial organs. Besides, certain special committees will be formed to study, examine, and draft relevant motions under the leadership of the NPC and its standing committees. 3) In order to strengthen local political powers, it is stipulated that the people's congresses at county level and above shall form their own standing committees. This is an important reform in China's political power system, under which organs of the state power at local levels have been effectively strengthened. In particular, the tightening of supervision over the people's governments, courts, and procuratorates at the same level has helped people exercise their power in administering the state. 4) Based on the principle of arousing the enthusiasm of both the central and the local governments, it is stipulated that the provincial, autonomous regional, and municipal people's congresses and their standing committees may take local concrete conditions and actual requirements into consideration in formulating local rules and regulations not contrary to the Constitutions, the laws, and the administrative rules and regulations; that the people's congresses and their standing committees of cities serving as seats of the provincial, autonomous regional, and municipal people's governments and relatively big cities with State Council approval may formulate local rules and regulations to be implemented upon approval by the standing committees of the provincial people's congresses. This will help arouse the initiative and enthusiasm of various localities and speed up the overall national construction. 5) Changes in the rural people's commune system and the system of integrating government administration with commune management and the establishment of rural political power have helped strengthen grass-root political power, expand their democratic base, and give a fuller play to their functions. Provisions cited above carry important realistic meaning and far-reaching historical significance in strengthening the organs of the state power at various levels, in improving the state systems, and in adhering and perfecting the people's congress system.

For the past 16 years since reform and opening-up, the people's congresses and their standing committees at various levels, under the party's leadership, have conscientiously performed their responsibilities empowered by both the Constitution and the laws, achieving great success through active exploration and bold practice. Achievements in law enactment have been remarkable. Following the NPC's adoption of the current Constitution in 1982, two constitutional amendments were approved in 1988 and 1993 to meet the nation's political, economic, and social development requirements. The NPC and its standing committees have enacted 175 laws and made 77 rulings on legal matters; local people's congresses and their standing committees have formulated over 3,000 local rules and regulations; while the State Council has laid down more than 700 administrative rules and regulations.

Today, China has a good constitution and basic laws governing criminal and civil procedures, state organs, and so forth. We have also formulated the Basic Law of the Hong Kong Special Administrative Region, the Basic Law of the Macao Special Administrative Region, and many laws and regulations dealing with economics, science and technology, education, administration, national defense, nationalities, environmental protection, etc., which are playing an important role in the nation's political, economic, and social activity. Representing the people's interests and wishes, people's congresses at all levels and their standing committees examined and made decisions on national and local matters of importance. Among the decisions they made were resolutions on three—the sixth, seventh, and eighth—five-year plans of national economic and social development, and the decision on building the Three-Gorges project on the Chang Jiang, thus making the state's decision-making process more democratic and scientific. Focusing on major issues of reform, opening up, and the modernization drive and "flash-point" issues that are common concerns of the people, people's congresses at all levels and their standing committees stepped up supervision over the implementation of the constitution and other laws and over the work of administrative, judicial, procuratorial organs, thus ensuring the enforcement of the constitution, laws, and regulations and advancing the implementation of the party and state's line, principles, and policies. They held elections and appointed personnel to state organs according to law and in pursuance with the principle of stressing both professional ability and political integrity and the policy of making the ranks of cadres more revolutionary, younger in average age, better educated, and professionally more competent. Standing Committees of the people's congress oversaw three indirect elections of deputies to people's congresses above the county level and four direct elections of deputies to people's congresses at the county and township levels; their oversight helped ensure smooth implementation of elections of new congresses. The NPC and its Standing Committee have also actively developed exchanges with foreign

parliaments, thereby enhancing the understanding and friendship with foreign parliaments and people and facilitating the development of state-to-state relationship. In short, the people's congresses and their standing committees have, under the leadership of the party, worked hard in advancing socialist democracy and the legal system, and made contributions to promoting reform, opening up, and the modernization drive and safeguarding social stability, winning the people's confidence and support.

Forty years of practice of the system of people's congress in China, the past 16 years in particularly, fully demonstrates that the system of people's congress is closely bound up with the destiny of the state and people. Whether or not we uphold and improve the system of people's congress and take full advantage of it will have a direct impact on whether the state's political life is normal, policy decisions correct, the socialist cause prospering, and the country enjoys lasting peace and stability. Therefore, we must, at all times and under any circumstances, unswervingly uphold and improve the system of people's congress and bring into fuller play the advantages and functions of this system. The establishment of a sound system of people's congress must be carried out under party leadership. Only by exercising more effective party leadership will we be able to bring into fuller play the functions of the system of people's congress; a more efficient and sounder system of the people's congress will bring about more effective party leadership over state affairs. For this reason, improvement of the leadership system of the party and state and the exercise of more effective party leadership over the work of people's congress are of crucial importance to the upholding and improvement of the system of people's congress. Focusing closely on the central task of economic development, people's congresses at all levels and their standing committees must earnestly perform the functions vested in them by the constitution and other laws, make, as ever, the expansion of the socialist democracy and the legal system their most important task, guarantee that the people act as the masters of the country, and promote the cause of reform, opening up, and the modernization drive. This is not only an essential requirement in the development of socialism but also represents the common wishes of the people.

III. Make Greater Efforts in Upholding and Improving the People's Congress System, and Bring Into Better Play the Role of This Organ of State Power

With the important talks given by Comrade Deng Xiaoping when he visited the south in 1992 and the 14th CPC National Congress as the hallmark, China's reform, opening up, and modernization drive has entered a new phase of development. The situation at home and abroad these days has provided a rare opportunity for China's reform and development. We must seize this opportunity to intensify reform, open up wider to the outside world, promote development, ensure stability, and establish a preliminary socialist market economic structure by the end of the century and attain the second-step

strategic objective of economic and social development. In line with the overall situation of the state and requirements of our tasks, we must continue our efforts in strengthening socialist democracy and the legal system, uphold and further improve the people's congress system, and bring into better play the role of this organ of state power.

First, we must energetically push ahead with reform of the political structure and promote socialist democracy with Chinese characteristics.

In consonance with reform of the economic structure and economic development and in line with the requirements that promotion of democracy must be closely combined with improvement of the legal system, we must energetically push ahead with reform of the political structure and promote socialist democracy with Chinese characteristics. The people are masters of our state and society; they are also the masters of the socialist cause. Reform and construction are the people's own cause. Success would be out of the question without their conscientious participation, enthusiastic support, and common efforts. Democracy among the people is an essential requirement for socialism and one of its intrinsic characteristics. Only by developing socialist democracy and mobilizing the initiative of the broad masses of the people will we be able to accomplish socialist modernization. The course of developing a socialist market economy should also be one of building socialist democracy; we should coordinate the two and make them advance in tandem. In so doing, we will be able to bring about greater development of the productive forces and fuller utilize the superiority of socialism. In promoting socialist democracy, we must proceed from China's reality and advance along the orientation and tracks of socialism in a well-guided and orderly way. We may draw on some of the useful experience of the capitalist countries; we must, however, by no means mechanically imitate the political models of the west. We must draw a distinction between socialist democracy and capitalist democracy—between socialist democracy on one hand and ultra-democracy and anarchism on the other—and develop a correct outlook on democracy. Promotion of democracy must be subordinate and serve the overall interest of reform, development, and stability.

What is of the utmost important to our construction of socialist democracy is adhering to and perfecting the people's congress system. Our people's congress system is a good one, but defects still exist in some specific democratic systems, procedures, and working methods because China is still in the initial stage of socialism and due to the restrictions imposed by social, political, economic, and cultural conditions. We must strengthen the building of organs of state power in accordance with the provisions of the Constitution to make people's congresses and their standing committees become authoritative organs of state power, working organs capable of doing various duties vested in them by the

Constitution, and representative organs which keep in touch with the masses, reflect the will of the people, solve contradictions, and are fully trusted by the people. This is a common task facing the whole party and all the Chinese people. The broad masses of our cadres and, in particular, leading cadres at all levels must enhance consciousness of democracy and legal system, improve understanding of the people's congress system, have a common understanding of the Constitution, perform official duties in accordance with the Constitution in a down-to-earth manner, and conscientiously maintain this fundamental political system of the state. People's congresses at all levels and their standing committees must conscientiously exercise all their powers and do all their duties stipulated by the Constitution; protect the implementation of the Constitution and the enforcement of the laws; guarantee the fulfillment of various tasks raised by the 14th National CPC Congress and the Eighth NPC; and vigorously promote the establishment and improvement of a socialist market economic system. People's congresses and their standing committees must treat the fundamental interests of the nation and the people as the point of departure for all their work, and the conduciveness to expanding the productive forces of a socialist society, strengthening the comprehensive national power of a socialist country, and improving people's living standards as the criteria for judgment; further emancipate their minds and seek truth from facts; and practically bring into play the role of an organ of state power.

Second, we must attach great importance to building a socialist legal system and strive to attain the goal where there will be laws to be based on, laws will be followed, laws will be strictly enforced, and lawless conduct will be prosecuted.

The development of the socialist market economy has set new and higher requirements for our legal system. A sound legal system is essential for guiding, regulating, and protecting the establishment and perfection of our socialist market economic system. The "Decision on Issues About Establishing a Socialist Market Economic System" adopted by the Third Plenary Session of the 14th CPC Central Committee has provided the blueprint of the socialist market economic system and also set the goal to be achieved in building our legal system. To achieve this goal, we must, first of all, accelerate the legislative process and intensify our efforts in drawing up market economy-related laws. The Eighth NPC Standing Committee stated that, before its present term expires, it must complete building the framework of the system of market economy-related laws. To this end, it has drawn up a five-year legislative plan, which gives priority to enacting laws for regulating the operations of main market components, maintaining market order, intensifying macroeconomic regulation and control, and perfecting the social security system. Meanwhile, it has also planned for enacting laws for promoting socialist democracy; improving the system governing the organization of state organs; cracking down on crimes; safeguarding

public security; expediting educational, scientific, and cultural development; preserving environmental resources; and building up the national defense. It will also revise certain outdated laws and regulations which cannot meet today's actual needs. Because of the many legislative assignments we have to carry out, the NPC and its Standing Committee, as well as all relevant units must work together cooperatively so that the legislative assignments can be accomplished. To supplement the laws of the socialist market economy, people's congresses and their standing committees authorized to draw up local regulations should intensify their efforts in drawing up local regulations in light of their administrative region's actual situations and their reform and construction needs. We must continue to emancipate our minds, broaden our vision, change our mindsets, and display the spirit of reform in approaching and addressing the problems encountered during the legislative process. We must conduct in-depth research on laws of the socialist market economy and see to it that the laws are in line with the features and the law of the socialist market economy, and that these laws will be fair, impartial, visible, and efficient; and they can help liberate and develop productive forces even further. The laws to be enacted must consider the fundamental interests of the people and the state. They should not simply consider departmental or regional interests, and should not have provisions which inappropriately give local departments and regions greater power. While making laws, we must establish the footing on China's situation, and bravely assimilate and emulate foreign countries' legislative achievements and experiences which are useful to us. We must also make sure that the laws we make are compatible with international norms and regulations. During the legislative process, we must broadly listen to the views of all quarters and recruit experts and scholars to take part in the legislation so that the laws made will be their combined efforts. China's legislative process has accelerated noticeably. Certain laws about market economy—such as those relevant to company operations, fight against illegitimate competition, budgeting, foreign trade, management of urban real estate, and labor—have been promulgated one after another. The institutionalization of the market economy has started.

Our laws must be firmly enforced after they have been made. Law enforcement is an essential link in building our legal system. We must make great efforts to strengthen and improve law enforcement and judicial affairs, and build stronger contingents of law enforcers by improving their quality and law enforcing competence. All people's congress standing committees must attach importance to supervising law enforcement, draw up plans for inspecting the enforcement of certain laws, strive to improve inspection efficiency, and firmly correct such phenomena to which the masses have responded strongly—such as ignoring the law, failure to enforce law strictly, and failure to prosecute lawless conduct—so that the nation's socialist modernization

can proceed soundly along the track of the legal system. Educating the people is a fundamental requirement in building our legal system. Publicity of legal knowledge and education in the legal system should be an important, day-to-day affair. We should give full scope to the media—such as television, radio broadcasting, newspapers, and magazines—in this regard to create a sustained and dynamic momentum in publicizing the law, and to criticize and educate those who have violated the law. We should continue to deepen education in the legal system, energetically popularize the Constitution and other laws, especially knowledge about laws relevant to the socialist market economy, so that the masses will know and abide by the law, know how to use the law as a weapon to fight lawless conduct and defend their own legitimate rights and interests. According to the requirement of administering the country according to the law, we should manage the country and do everything according to the law. State functionaries at all levels, especially those in leading positions, must take the lead in studying and mastering basic legal knowledge, heighten their awareness of the legal system, and become more conscious in making decisions, performing executive duties, and handling all affairs according to the law. The authority of the Constitution and other laws must be established in society. No organizations or individuals may have the privilege of overstepping the Constitution and other laws, and all behaviors that violate the Constitution and other laws will be investigated.

Third, we should improve mechanisms of supervision to facilitate the implementation of reform programs.

There are all kinds of supervision in the Chinese political, economic, and social life. They include disciplinary inspection supervision by party organizations; supervision by state power organs; administrative supervision by governments; legal supervision by procuratorial organs; democratic supervision by the CPPCC, democratic parties, and the people's mass organizations; supervision by news media; and many other. To ensure the smooth progress of reform, opening up, and modernization construction, and to guarantee that the people's democratic rights are not encroached upon, we should further strengthen various kinds of supervision and set up a powerful and effective supervision system. Supervision by the NPC and its Standing Committee is the most authoritative supervision with the legal binding force by the state. Such supervision is an important manifestation of the people exercising the power to manage state affairs; and it can help improve the system of making policy decisions, minimize errors, prevent and overcome corruption, and enable state organs to operate in a highly efficient and rational manner. Under the new situation of reform and opening up, we should even more give play to the supervisory role of state power organs.

Led by the CPC, people's congresses at all levels and their standing committees should strengthen supervision over the work of governments, courts, and procuratorates. Such supervision, which can help these organs carry

out their duties strictly according to the Constitution and the laws, is a form of indispensable assistance and support for their work. We should continue the system of listening to and deliberating work reports by administrative, judicial, and procuratorial organs to supervise the implementation of various reform programs and to urge these organs to do a still better job in their work. We should gradually improve and strengthen the supervision over state plans and budgets, earnestly examine and approve national economic and social development plans and state budgets, and enforce their strict implementation. To strengthen the construction of a clean government and to punish corruption is a major issue having a vital bearing on the success of reform and the destiny of the country. We should use legal means to resolutely check and strictly guard against abuse of powers for personal gains and trading of power for money. We should step up the supervision over functionaries elected or appointed by the NPC and its Standing Committee. Whoever is found to have committed acts of corruption in embezzlement and bribe-taking shall be dismissed; where violation of the criminal law is involved, criminal responsibilities shall be affixed by the judicial organs according to the law. We should support and urge courts and procuratorates to strictly enforce the laws, step up efforts to investigate and handle major and serious cases, and resolutely punish corrupt elements.

Fourth, we should forge closer ties between people's congresses at different levels and the masses, and should improve state power organs organizationally and institutionally.

All state organs should proceed in doing their work on the basis of the people's vital interests and common aspiration. The NPC and its Standing Committee should forge closer ties with the masses so as to more effectively represent them and accept their supervision. Only when we fully reflect opinions and demands of the masses and accept their supervision can the NPC and its Standing Committee really represent the will and interests of the people, exercise the functions according to the law, formulate realistic and feasible laws and decisions, and elect and appoint state functionaries in keeping with the aspiration of the people. Deputies of people's congresses and members of the Standing Committees at various levels should maintain close contacts with their constituencies; they should serve the people wholeheartedly. They should go deep into the realities of life to conduct investigation and study, to observe popular feelings, and to constantly pay attention to and familiarize themselves with new circumstances and problems cropping up in economic construction and reform and opening up; and should take the initiative to put forth opinions and suggestions for improving work. They should also go all out to publicize and explain reform measures having a direct bearing on the people's everyday life so as to win people's understanding and support for reform. The 3.6 million deputies of people's congresses at various levels form an important force. They should bring into play their role as the bridge between the masses and the

government. People's congress standing committees and governments at all levels should strengthen ties with their deputies, periodically listening to their opinions and criticisms to continuously improve their own work. Meanwhile, they should create the conditions for deputies to exercise their duties more effectively.

In keeping with the requirements of the heavy tasks in the new period, we should people's congresses and their standing committees at various levels organizationally and institutionally. We should make members of the NPC Standing Committee younger in average age and more professionally competent. We should continually intensify the construction of the NPC special committees. One of the special characteristics of the work of the NPC and its Standing Committee is exercising functions and making decisions collectively. We must uphold the principle of democratic centralism, bring democracy into full play, and do things strictly according to the law. While deliberating and deciding on issues, everyone should be encouraged to freely air his views to reflect things as they really are. We should raise the efficiency and level of discussing issues through thorough discussion, pooling the wisdom of all, and concentrating correct opinions on the basis of democracy. NPC organs should be established in accordance with the demand of work and in line with the principle of streamlining, integration, and efficiency. The NPC's work must be strengthened and not weakened.

Fifth, strengthening and improving party leadership is the fundamental guarantee for persisting in and perfecting the system of people's congresses.

Our party led the Chinese people in a protracted bloody battle for the people's democracy and the establishment of the system of people's congresses; then, our party again led the people in developing socialist democracy, perfecting the socialist legal system, and persisting in and perfecting the system of people's congresses. Without the CPC's leadership, it would be impossible to change the Chinese people's status of enslavement and oppression over several thousand years, to establish the regime of the people's democratic dictatorship, and to make the people the masters of the country. Without the CPC's leadership, it would be impossible to score the great achievements in socialist construction over the past few decades and to accomplish the socialist modernization drive. The CPC's leadership role, which took shape through the protracted revolutionary struggle, is recognized by the Chinese Constitution and dictated by the party's advanced nature and close ties with the masses; and it cannot be replaced by any other political force. Just as Comrade Deng Xiaoping has said: "To unify the ideas and strengths of several hundred million people to build socialism in such a big country like China, it would be unimaginable if we did not have the unified leadership of a party which is composed of members with a high degree of awareness, sense of discipline, and self-sacrificing spirit; and which can really represent and unite the masses of people. Everything would fall apart

and we would accomplish nothing. This is the truth recognized by the Chinese people of all nationalities through the practice of protracted struggle." Therefore, in persisting in and perfecting the system of people's congresses, it is imperative to rely on the CPC's leadership.

Our party is the ruling party which exercises its ruling position through the party's leadership over state power organs. Organs of state powers at various levels, including people's congresses, governments, courts, and procuratorates, must accept the party's leadership; and must resolutely implement the party's line, principles, and policies. Of course, the party is different from state power organs in their nature, functions, and organizational and work methods. The party exercises primarily political, ideological, and organizational leadership. The party exercises leadership over state affairs mainly through setting political principles and orientation, offering guidance on major policy decisions, and recommending leading cadres for state political organs. When a party organization makes an important policy decision on state affairs, matters that should be decided by the NPC or its Standing Committee should be forwarded to the NPC or its Standing Committee for changing them into state decisions through legal procedures. Party organizations at all levels should respect the status of the NPC and its Standing Committee as prescribed in the Constitution and the laws; and they should support the NPC and its Standing Committee in exercising the functions according to the law, paying close attention to bringing into play the role of the NPC and its Standing Committee. Party organizations at all levels and the entire party membership must observe the principle that "the party must conduct its activities within the scope prescribed in the Constitution and the laws"; as well as the provisions in the Constitution that "no organization or individual may enjoy the privilege of being above the constitution and the law." All activities must contravene the Constitution and the laws. As our party led the people in formulating the Constitution and the laws, it must also lead the people in implementing the Constitution and the laws. The Constitution and the laws symbolize the integration between the party's stand and the people's will. To enforce the Constitution and the laws means to abide by the people's will and safeguard the party's leadership.

Comrades, friends! Our country is currently at a critical juncture of historical development. Our tasks are great and yet arduous. Under the new situation, we must rally closely around the party Central Committee with Comrade Jiang Zemin as the core, must steadfastly implement the party's basic line, must firmly grasp the central task of economic construction, and must work hard to develop a socialist market economy, socialist democratic politics, and socialist spiritual civilization, so as to continuously push forward the great undertaking of building socialism with Chinese characteristics and to strive to realize the strategic tasks for the nineties, to triumphantly march toward the 21st century, and to turn

China into a strong, prosperous, democratic, and civilized modern socialist power!

Journal Account of Failed Attack on Deng in 1979

HK1909042294 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1020 GMT 18 Sep 94

[Text] Beijing, 18 Sep (ZHONGGUO TONGXUN SHE)—In an article contributed to issue No. 8 of the journal YANHUANG CHUNQIU [HISTORY of the YELLOW EMPEROR], Ling Yun, former minister of state security, gave an account of some historical facts and disclosed a critical situation which Deng Xiaoping experienced during his visit to the United States in 1979.

At around 1800 on 2 February, Deng Xiaoping was invited to dinner and a show at the (Xi Meng Dun Si 6007 5536 7319 1579) arena. With Chinese bodyguards in front and on both sides, and an American security officer named Kelly a few meters behind, Deng was going downstairs to the hotel lobby to board his car. Suddenly, a man cut through the row and tried to approach Deng Xiaoping. Kelly rushed forward and knocked the man down, leaving some security personnel to deal with him. Deng Xiaoping then got into the car under the protection of the Chinese bodyguards.

According to information provided later by the United States, later, the man was a member of the 3K [Ku Klux Klan], the oldest terrorist organization in the United States. Following his arrest, some other 3K members "demonstrated" in the streets demanding his release. The United States never disclosed the motive of the 3K terrorist.

Liu Huaqing Inspects Shanxi Province 6-12 Sep

OW1809083094 Beijing XINHUA Domestic Service in Chinese 1139 GMT 13 Sep 94

[By XINHUA reporter Chi Maohua (3069 5399 5363) and SHANXI RIBAO reporter Du Tianwei (2629 1131 1218)]

[Text] Taiyuan, 13 Sep (XINHUA)—Liu Huaqing, standing committee member of the CPC Central Committee Political Bureau and vice chairman of the Central Military Commission, went down to factories, rural areas, and army units in Datong City, Taiyuan City, and Jinzhong Prefecture to conduct survey and study between 6 and 12 September. He pointed out that the army and local governments should coordinate with each other more closely under the new situation to promote double-support work to a new level.

During his inspection of Shanxi, Liu Huaqing gained an understanding of the details of peasants' living conditions. At Yongning village, Chengguan township, Datong city, Ma Shoucheng, who is an ex-serviceman and director of the villagers' committee there, briefed Liu Huaqing on the new changes taking place in the production and life in rural areas after the Third Plenary

Session of the 11th CPC Central Committee. Liu Huaqing said to Ma Shoucheng: "Though you have retired from the army, your sterling quality as a soldier has not changed. You have carried forward the fine traditions of the People's Liberation Army. You must lead the masses to common prosperity. Cadres must fulfill more tasks that really benefit the masses and serve the people wholeheartedly. Cadres must strengthen party building in rural areas and bring into play the role of party branches as a fighting bastion. It is necessary for party members to lead the masses to set out on the road to a fairly comfortable life and to achieve common prosperity."

He pointed out: Shanxi is an old revolutionary base area. It made important contributions to the Chinese people's liberation in wartime. Now, carrying forward the wartime revolutionary traditions, party and government leaders at all levels as well as the masses of the people in Shanxi Province show great concern for and fully support the building of the army and reserve forces. The army, government, and people are like a family.

At the Taiyuan Iron and Steel Company, Liu Huaqing listened to a briefing by Li Shuangliang, national model worker who is dubbed the foolish old man [who decided to remove two mountains in front of his house, according to a historical tale] of our times, on the latter's arduous work to pioneer an undertaking. Liu Huaqing praised Li Shuangliang's working-class spirit which strives to be the master of one's own affairs, and his wholehearted dedication to the interests of the whole. During his inspection, Liu Huaqing also invited national model workers Shen Jilan and Guo Fenglian to a discussion meeting, and successively visited the Datong Meat Products Factory, the Jinxi Machinery Factory, a bearing factory at Chengnan village in Qianxian county, and other enterprises to conduct survey.

Touching on Shanxi Province's organizing veteran cadres and Red Army veterans to conduct education in revolutionary traditions, Liu Huaqing said: All of the revolutions in China, big and small, depended on the spirit of plain living and hard struggle. Today, we still need such a spirit in our endeavor to build socialism with Chinese characteristics. We cannot afford to lose the spirit of plain living and hard struggle. We must continue to carry it forward.

During his inspection of the army units and the armed police forces units stationed in Shanxi, Liu Huaqing not only listened to briefings, but went down to the grass-roots companies to gain an understanding of the details of their military training, administration, logistics support, fighters' thinking, and cultural construction.

The leading comrades of Shanxi Province, the Air Force, and the Beijing Military Region accompanied Liu Huaqing in his inspection of Shanxi.

Wan Li Awards Literature Prize to Writer Han Suyin

*HK1709081394 Beijing CHINA DAILY in English
17 Sep 94 p 3*

[By Zhu Yuan: "Writer Han Returns to Her Roots for Honour"]

[Text] British-Chinese writer Han Suyin was given the International Understanding and Friendship Literature Award and \$5,000 cash yesterday in Beijing by the China Literature Foundation for her literary works about China.

Wan Li, former president of the National People's Congress and now honorary chairman of the foundation presented the cash award and a certificate to the 78-year-old woman writer at a ceremony at the Diaoyutai State Guest House. Dr Han Suyin has written dozens of works about China, including the Communist Party of China, the Chinese Liberation War and Chinese leaders. Her works have been translated into 17 languages in various countries.

Born in China's central Henan Province, Han said that she has been looking for her Chinese roots, from which her feeling and sentiment come.

Han has established several foundations and awards for cultural exchange and translation in China.

She is the second person to have won the International Understanding and Friendship Literature Award since it was established by the China Literature Foundation in 1991.

The award honours those who have written literary works about China and Chinese culture. It's hoped the award will help promote further cultural exchanges between China and the rest of the world.

Helen Snow, widow of US journalist and writer Edgar Snow, was the first winner in 1991.

RENMIN RIBAO on Role of People's Congresses

*HK1909065994 Beijing RENMIN RIBAO in Chinese
15 Sep 94 p 1*

[Editorial: "When People Are Masters of Their Own Affairs, State Enjoys Prolonged Political Stability"]

[Text] Forty years ago today, namely, 15 September 1954, Comrade Mao Zedong solemnly declared: "The first session of the first National People's Congress [NPC] of the PRC is to be held in Beijing today." China's first socialist constitution enacted by the session solemnly provided: "All powers in the PRC belong to the people" and "the organs through which the people exercise state power are the NPC and the local people's congresses at different levels." Thereafter, the people's congress system was established in all areas across the

country, ushering in a new historical period of strengthening political power and the socialist democratic legal system.

Practicing the people's congress system in China is the choice of history and of the people. The system is a great creation of the party which has combined Marxist theory on the state with China's reality in the prolonged revolution and construction, took into account the interests of hundreds of millions of people, and pooled the people's will and wisdom. In modern times, many political parties and political forces have advanced their views as to what political system should be practiced in China. They have undertaken many trials but have failed. After assessing the base areas' valuable experience in establishing and consolidating political power in a scientific way, studying the process of the establishment of political power in other countries, and taking into account China's actual conditions, our party decided to establish the people's congresses system as China's basic political system. This system can best represent the people's interest, pool the people's will, and enable the people to really exercise their democratic power as masters of the country, so it is heartily supported by the people of all nationalities in the country.

The people's congress system represents an entire political power-related system corresponding to the state system of the people's democratic dictatorship. It clearly defines the relationship between state organs and the people: The NPC is the supreme organ of state power and the local people's congresses at different levels are local organs of state power. The NPC and the local people's congresses at different levels are instituted through democratic elections. They are responsible to the people and subject to their supervision. They clearly define the relationship between the organ of state power and other state organs. The state administrative, judicial, and procuratorial organs are instituted by people's congresses, responsible to the latter, and subject to the latter's supervision. It clearly provides that the state organs apply the principle of democratic centralism. While the people's congresses exercise unified state power, the state administrative, judicial, and procuratorial organs discharge their own duties in a coordinated way. The people's congress system is the basic political system with distinct Chinese characteristics.

Practice in the last 40 years proves the people's congress system is the best organizational form of state power corresponding to the Chinese people's democratic dictatorship and that it displays boundless superiorities and great vitality. The system gives full expression to the essential characteristics and contents of socialist democracy and politically and organizationally ensures the people act as masters of their country and exercise their power to administer the country, so it is the only path to building up socialist democracy. The system also fully displays democratic centralism, guarantees wide-ranging democracy, enables the people's congresses at different levels to decide upon state affairs by exercising their

enormous powers, and enables governments at all levels to exercise their functions and powers while practicing democracy and working efficiently. The system gives full expression to the organic integration of the CPC leadership and the people's democratic powers, making it convenient to realize the party leadership over state affairs, to change the party's position into the state's will, and to effectively arouse and organize the people into unified action.

In the new historical period of reform and opening up, the people's congresses have been playing an increasingly important role in our political, economic, and social activities. Guided by Comrade Deng Xiaoping's theory of building socialism with distinct Chinese characteristics and the party's basic line, people's congresses at different levels have earnestly discharged their sacred responsibilities entrusted by the constitution and laws, and have made great progress in various fields. They made notable achievements in legislation, gradually improved supervisory work, examined and decided upon a series of major state and local affairs, appointed functionaries of state organs, and established closer ties between deputies to the people's congresses and the people. All this fruitful work has greatly stimulated the strengthening of socialist democracy and the socialist legal system and has played a significant role in promoting and safeguarding smooth reform and opening up and expediting the socialist modernization drive and all-round social progress. Facts have fully proved that to press ahead with reform and opening up and to achieve socialist modernization, which is our magnificent goal, we must uphold and improve the people's congress system.

Comrade Deng Xiaoping, the chief architect of our reform and opening up policy, has consistently given a high appraisal of the people's congress system. He believes that this system best complies with China's actual conditions and can help concentrate our resources on major projects and help China prosper. He has said categorically that in carrying out political reform one thing which is certain is that we must adhere to the people's congress system rather than the system of three branches of power, each independent of the other two, as practiced in the United States." Adhering to and improving the people's congress system to develop socialist democracy is an important aspect of Comrade Deng Xiaoping's theory of building socialism with distinct Chinese characteristics. We must earnestly study to have a good grasp of the theory.

Our party's third generation of central leadership with Comrade Jiang Zemin at the core has attached great importance to adhering to and improving the people's congress system. At the 14th CPC National Congress, Comrade Jiang Zemin pointed out: "The goal of political reform is mainly to improve the people's congress system and the system of multi-party cooperation and political consultation under CPC leadership to expand socialist democracy," adding: "We should further improve the

people's congress system; strengthen the functions of congresses and their standing committees in legislating, exercising supervision, and so on; and expand the role of people's deputies." It is under powerful CPC leadership that we have attained good results in upholding and improving the people's congress system over the last few years.

The magnificent tasks of reform, development, and maintaining stability set stricter demands on the people's congresses and the entire party, and people of all nationalities across the country pin greater hope on further displaying the superiority of the system of people's congresses. We are convinced that guided by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, the people's congress system will certainly play a greater role in reinvigorating the Chinese nation.

Police Association Views State of Public Order

OW1909010294 Beijing XINHUA Domestic Service in Chinese 0945 GMT 14 Sep 94

[By reporter Wang Jinfu (3076 6855 4395)]

[Text] Beijing, 14 Sep (XINHUA)—The China Police Association, entrusted by the Ministry of Public Security, held a forum in Beijing today to analyze the state of public order. Over 10 experts from relevant research organizations and government departments in Beijing thoroughly examined such issues as the state of public order and its relations with economic development in the new situation of reform and opening up.

The experts opined: Our country's overall state of public order is good, and most people have a basic sense of security. However, following social economic development and in the process of our transition into another economic system, crime rates have continued to rise and remained consistently high in some localities, where a higher proportion of pernicious crimes have also been committed. Although such occurrences are inevitable, they are under control. Facing a grim state of public order, it is of utmost importance that we carry out a "two-pronged approach" on all fronts.

Some experts pointed out: Simultaneous and coordinated economic and social development is the key to thoroughly improving the state of public order. When formulating macroeconomic development plans, governments at all levels should include efforts to improve all facets of public order in their overall plans, and ensure that while developing the economy, they take appropriate steps to improve supplementary measures to promote social stability. They should also pay adequate attention to intensifying studies on preventive public security efforts, so as to provide a basis for making scientific policy decisions.

The experts opined: It is vital for public security departments to crack down more severely on crimes. Because improvement of all facets of public order is a systematic

effort that has a bearing on our major program for fostering stability, all sectors of society should heighten their awareness, work together, truly foster the viewpoint of everyone being responsible for preventing and fighting crime, strive to eliminate unfavorable factors that affect public order in all fields and sectors, and ensure that economic and social development will proceed in a coordinated and steady manner.

Police Political Commissar on Police Building in Tibet

OW1909015994 Lhasa Tibet Television Network in Mandarin 1200 GMT 13 Sep 94

[Video report from the "Regional News Hookup" program]

[Text] Since its arrival in Lhasa on 31 August, the seven-member work group led by Zhang Shutian, political commissar of the Chinese People's Armed Police Force, and (?Wang Hongyun), Political Department deputy director, has conducted its nine-day comprehensive investigation and study of building Tibet's armed police force and has given concrete guidances.

During its stay in Tibet, the work group earnestly heard a report on the situation by the Tibet armed police corps party committee; visited the armed police corps' headquarters, political department, logistics department, border defense bureau, fire bureau, three detachments stationed in Lhasa, the Xigaze Detachment, the armed police corps' group of instructors, and the hospitals' officers and men; and held individual talks with armed police corps' cadres at and above division level. The work group also visited leaders of the Tibet Autonomous Region and leading comrades of the Tibet Military Area Command and exchanged views on some specific issues related to the construction of Tibet's armed police force. While visiting the grass-roots units and conducting on-the-spot investigation, the work group learned about the basic situation of Tibet's armed police force regarding their duties, education, and work related to logistics training and supporting the government and cherishing the people. [Video shows Zhang Shutian and other members of the work group listening to a report in a conference room and visiting local armed police forces, hospital officers and men, and local leaders.]

On the morning of 8 September, before departing Tibet, the headquarters of Chinese People's Armed Police Force's working group met with leading cadres at and above regiment level of the armed police force stationed in Lhasa. Zhang Shutian delivered an important speech at the meeting. He said: Stability in Tibet represents the whole nation's stability; and development in Tibet represents the whole nation's development. The Third Forum on Work in Tibet, held recently by the CPC Central Committee and the State Council, pointed out the direction for Tibet's stability and development in a new era; has pledged to follow the direction; and has set new, higher demands on the armed police force stationed

in Tibet. Zhang Shutian put forward a five-point demand for strengthening the construction of Tibet's armed police corps, closely revolving around maintaining stability in Tibet, improving the police force's combat effectiveness, and becoming a loyal guard to safeguard the border and people: First, we should firmly develop the thinking of being prepared for danger in times of peace and have a full understanding of the important duties that we have undertaken. Second, we should focus on the need for antiseperatism struggle and fully prepare to handle emergencies. Third, we should carry forward the CPC's and the armed police force's fine traditions and further strengthen internal and external unity. Fourth, we should carry forward the spirit of self-reliance, stand in the highlands, and be diligent in pioneering work. Fifth, we should double efforts to build the party committee's leading groups and improve the building of a leading police force.

Archbishop Carey Hears Concerns of Mainland Christians

'No Plans' To Meet Beijing Pastor

HK1909034494 Hong Kong SOUTH CHINA MORNING POST in English 19 Sep 94 p 9

[By John Kohut in Beijing]

[Text] Chinese Christians, including senior figures in the church, have told the Archbishop of Canterbury, Dr George Carey, that they are concerned about implementation of government regulations on religious practice passed earlier this year. There's no reason why it (the set of regulations) should be a bad thing," said one source travelling with the archbishop. "But people do have fears about it."

On the one hand, the rules requiring all churches and other religious entities to register, provide legal standing of greater quality than before, Chinese Christians have told the archbishop, who visited Nanjing, Shanghai, and Chengdu last week, and is due to arrive in Beijing today. But they are at the same time concerned that registration might be used by government authorities at provincial and local levels to gain greater control over church activities.

On the whole though, Chinese Christians who have met Dr Carey believe it is too early to say what the regulations will mean in practice for religious believers in China. The regulations, promulgated by premier Li Peng in February, forbid foreigners from proselytising in China, though they give both foreigners and Chinese the right to practise their religious beliefs. Perhaps most important of all, the regulations require China's churches, mosques, and temples, along with the tens of thousands of so-called "house churches"—makeshift places of worship—to register.

Chinese and foreign observers have said that registration could actually be an advantage because, on paper at

least, it gives places of worship a legal standing. But, as with the implementation of almost any other law in China, so much depends on how local officials interpret the rules.

The archbishop, who has met senior leaders of the Chinese Christian Council, seminarians, and ordinary workers, has been sounding out his contacts on a wide variety of issues related to religious freedom.

In these meetings, all arranged by the official China Christian Council, Chinese Christians "do talk about the darker side but they see it is only a small part of the big picture" and they say that the Western media has tended to paint things black, the source said.

Indeed, "good things are going on," the source said. For example, China has one of the fastest-growing Christian communities in the world. By official statistics, the number of Protestants and Catholics attending state-approved churches stands at about eight million and is growing by a million a year. Officials have also acknowledged in the past that the number of "secret" worshippers is far higher.

At the moment, there are no plans for Dr Carey to meet the Reverend Yang Yudong, the pastor of Gangwashi church in Beijing, which has been in a dispute with the Religious Affairs Bureau over a small piece of church property confiscated during the Cultural Revolution. Church sources say Mr Yang is under long-standing police surveillance but is not under house arrest. He would be happy for Dr Carey to visit his church but has not put in a formal request for a meeting.

For his part, Dr Carey has not specifically asked to see Mr Yang. But sources in the archbishop's entourage say that Dr Carey has told his hosts he would be concerned if someone of the pastor's stature had been prevented from seeing him.

Last weekend, the police held the Reverend Li Dequan, head of the Gangwashi Church Committee, for a day of questioning related to the property dispute. They called him back later in the week and interrogated him for another four or five hours, trying to get him to confess to breaking the law. He was allowed to leave after fainting from weakness.

The police contend that the church broke the law when it tore down a wall to reclaim the property in dispute and singled out Mr Li because he heads the Gangwashi Church Committee. Authorities have bricked in the wall again, but the conflict remains unresolved.

Carey on Last Leg of Trip

HK1909142094 Hong Kong AFP in English 1346 GMT 19 Sept 94

[Text] Beijing, Sept 19 (AFP)—The Archbishop of Canterbury George Carey urged Chinese Christians Monday to look to the future without despair, saying God could "make dry bones live again" if they put their trust in

him. "For both your church and mine there will be great challenges and difficulties in the years that lie ahead," Carey, who arrived here Monday on the final leg of an 11-day tour of China, told a congregation of young and old in a sermon at the capital's Chong Wen Men Church. "You are a small and growing Church in a vast and populous land. But even though you may have many challenges, let me remind you that God will bless you if you put your trust in him... despair should never be in our hearts," he said.

While making no direct reference to religious persecution in China, the archbishop referred cryptically to the C.S. Lewis novel *Screwtop's Letters*, [as received] telling of how the Devil encourages a junior devil to dupe new Christians into "having a low view of the Church." The junior devil's main task was to ensure that the new Christian did not see religion, as the Devil supposedly says, "spread out through all time and space and rooted in eternity, terrible as an army with banners.

There are an estimated five million Chinese Protestants in China's official church, but they are outnumbered by those belonging to movements unrecognised by the authorities. These underground organisations are the target of severe repression, according to their members and human rights groups, which regularly denounce the imprisonment and torture of followers of illegal churches. "Don't be simply concerned about Church structures," Carey urged his congregation, saying Christians in both China and in the Church of England should learn to turn their attention outwards. The official Protestant Church in China follows the policy of the "three selfs"—the principle of self-governing clergy, administration and religious propagation—with it adopted after the communists came to power in 1949. [sentence as received]

"It struck me that Chinese Christians have been quite remarkable in the way that you have adapted through great times of change. Sometimes that change has been violent and repressive," said Carey. He pointed to the growth in the number of Protestant Churches in China from just three in 1979—after the severe persecution of Christians during the decade-long Cultural Revolution—to more than 8,000 now, as "a remarkable story of faith."

The archbishop emphasised as "the radical message of Christianity" that all people were the same in the eyes of God. "He has no favourites," said Carey, citing a passage in Isaiah that "looks forward to a future changed, a future moulded by God." "Here suffering people find hope, tears are turned to joy, sacred buildings, in ruins, become alive again through the glory of God ... God doesn't change. He can breathe life into individuals and communities. He can make dry bones live again," he said.

Carey, who has already visited the cities Nanjing, Shanghai and Chengdu, is the second archbishop to preach at the Chong Wen Men Church, following a sermon by his predecessor, Robert Runcie, in 1983. On Tuesday, he is to meet with local religious officials as

well as visit the Forbidden City and the Beijing Seminary and attend a performance of Beijing Opera. He is to leave China Thursday for Hong Kong.

'Christian Activists' Probe Corruption in Official Church

HK1709074194 Hong Kong EASTERN EXPRESS in English 17-18 Sep 94 p 9

[By Bruce Gilley]

[Text] An investigation into corruption in Beijing's official Protestant Church has been launched by Christian activists in a bold move aimed at lending support to charges of government mismanagement of religious affairs. More than a dozen cases of embezzlement, nepotism and patronage involving officials of the city's Three-Self Patriotic Movement (TSM) are being looked into.

"The anti-corruption campaign which the government has been loudly publicising has not even touched the religion departments," a leading investigator said. "We will use the results of this investigation to call for a reorganisation of the TSM."

The source revealed details of three well-documented cases, involving the auctioning off of a cemetery, the appointment of a senior pastor's son to a top TSM post and perks handed out to a leading TSM cadre for his handling of the dismissal of a prominent, liberal pastor.

The source alleged that TSM officials in all main cities have become more corrupt since a new national policy on religion, intended to give greater autonomy to churches, was announced earlier this year. "They realise they are losing power, so they are trying to get as much as they can out of the churches before they lose control completely," he said.

Thousands of Beijing Christians could take to the streets in open protest if a plan to auction part of a public cemetery in Jingxi village of Haidian district goes ahead. The TSM is attempting to rezone part of the cemetery, which is still used, for commercial purposes, in contravention of state regulations protecting religious sites, the source said. The activists fear the proceeds will be embezzled if city leaders were not informed of the plans.

The investigators allege the chairman of the Beijing TSM, Yin Jizeng, ignored nepotism in the lower ranks of the organisation. In the most prominent example, the activists charge that a senior pastor at the Chongwenmen church, Shi Zesheng, arranged for his son, Shi Mingpei, to take over as the executive director of the Yanqing Theological Seminary, where Yin is the principal.

The seminary is the most important school for Protestant clergy in Beijing. Shi Mingpei, a member of the Communist Party, is not on the official staff roster of the seminary, due to his party membership, but is none the

less given a handsome salary and responsibility for admissions, curriculum and personnel, activists said.

A property dispute at Gangwashi, the capital's largest church, revealed more evidence of patronage at high levels. When the TSM tried to take over a house attached to the church last week, congregation members protested, with the head of the church committee being detained by police.

Investigations reveal the TSM intended to use the house as a living quarters for a senior official, Li Xuejun, a member of the TSM's suburban districts work committee, rather than as an office as originally announced. In return, Li would be placed on the Gangwashi church committee to head efforts to remove the church's liberal pastor Yang Yudong.

"In all of these cases, the churches of Beijing have no power by themselves," the source said. "If the police want to use their force, there is nothing we can do.

"We are simply appealing to the religious authorities to come clean and reveal the extent of their corruption."

Pro-Democracy Campaigner Under Surveillance Since Release

HK1709063394 Hong Kong SOUTH CHINA
MORNING POST in English 17 Sep 94 p 9

[By Chan Wai-fong]

[Text] The week-long surveillance of ailing People's University professor Ding Zilin continued yesterday following her brief detention on Thursday [15 September]. The 58-year-old academic's husband, Jiang Peikun, said his wife was suffering from heart problems and was too weak to speak.

He said plain-clothes state security officers had been stationed outside their home since Monday and continued to harass them whenever they went out. "When we left for lunch this afternoon they asked us where we were going. We asked for their identities, but they said that was not necessary," he said.

Mr Jiang said seven plain-clothes officers surrounded the restaurant where the couple had lunch. "I don't know why they are doing this or how long it will carry on. Our friends dare not come visit us for fear of being questioned, searched or arrested," Mr Jiang said.

Ding Zilin, whose 17-year-old son was killed in the 1989 Tiananmen Square crackdown, compiled information on 96 victims killed in the massacre. Their names, in two separate batches, were published in the Hong Kong-based magazine *The Nineties* June and September issues. The Hong Kong spokesman for Human Rights Watch/Asia, Robin Munro said yesterday the relentless harassment and persecution of the couple by the Chinese Government was to prevent them from pursuing documenting the June 4 crackdown.

Mr Jiang said this was the 11th time since March this year that their house had been kept under surveillance. On Thursday, Ms Ding was taken by plain-clothes state security officers to a nearby police station after she refused to tell them where she was heading. "I think they are just angry that despite continuous tight surveillance, information still got out and a second list of victims was published. They might also be enraged that Fang Zheng visited us just after he was denied participation in the disabled games and before he was sent back to Hainan Island," Mr Jiang said. Mr Fang, a student of the Beijing Institute of Physical Education in 1989, had his legs crushed by an army tank in the June 4 crackdown.

Researcher Stresses Religious Freedom 'Guaranteed by Law'

HK1709081894 Beijing CHINA DAILY in English
17 Sep 94 p 4

[Article by Wang Xiaoyan, a researcher with the Religious Study Centre of China, from the "Opinion" page: "Religious Freedom Guaranteed"]

[Text] Chinese people can fully enjoy the freedom of religion, a right that is guaranteed by law.

The principle of the government's religious policy is to respect and protect a citizen's freedom of religion and its exercise.

Chinese citizens are free to believe in or not to believe in religion, and they are free to choose whichever religion they wish.

Religious believers and non-believers are politically and legally equal.

Believers can worship their gods in temples, mosques, churches and private houses, as required by their customs.

Religious organizations can, within the limits of laws and policies, open theological colleges, publish religious magazines, print and distribute religious classics and propagate religious beliefs.

They are encouraged to make friendly contacts with their foreign counterparts and foreign personnel on the principle of mutual respect and equality.

Religious organizations can possess and manage shrines, monasteries, mosques or churches. They can also run charities and receive donations.

All this is guaranteed by State laws.

Article 36 of the Constitution of the People's Republic of China stipulates: "Citizens of the People's Republic of China enjoy freedom of religion. No State organ, public organization or individual may compel citizens to believe in, or not to believe in, any religion; nor may they discriminate against citizens because they do, or do not believe in, religion. The State protects normal religious activities."

Article 77 of the Civil Law stipulates that the property of a religious organization is protected by the law.

According to Article 147 of the Criminal Law, State functionaries who illegally deprive a citizen of the freedom of religion will be tried and punished by law.

There are also clear and specific provisions protecting the freedom of religion in many other laws, such as the Electoral Law, Draft Law, and the Law for Compulsory Education.

However, the freedom of religion is a combination of rights and obligations.

The Constitution also stipulates: "Nobody can make use of religion to engage in activities that disrupt public order, impair the health of citizens or interfere with the educational system of the State. Religious organizations and religious affairs are not subject to any foreign domination."

For centuries, China has been a nation which separates religion and State. State laws and policies still prohibit religions from interfering in the State administration, judiciary and education system. Nor can religion be used to damage the unity of the country and the solidarity of various nationalities.

In order to implement its religious policy, that is, to make religion positive to social development, the Chinese Government set up the Religious Affairs Bureau under the State Council. The bureau runs departments at local government level.

The major role of the bureau and its subordinate departments is to co-ordinate between religious believers and non-believers, to protect normal religious activities, to prevent crimes committed under the name of religion and to stop religious fanaticism.

Those who flaunt the banner of religion and defraud people of their money and belongings, or harm lives and property will be punished according to law.

State laws also guard against those who endanger national security and interests through religion.

The government's religious policies have satisfied religious believers and enabled them to join in various social activities, just like everyone else.

For example, Buddhists who advocate "Worldly Buddhism," which means to build a pure land in this world, have contributed to the thriving prosperity of the country. And some Protestants believe they are acting in a spirit of "Glorifying God and Benefiting People," by making great contributions to the country.

Education Commission Issues Circular on Moral Education

OW1909023794 Beijing XINHUA Domestic Service in Chinese 0838 GMT 12 Sep 94

[Text] Beijing, 12 Sep (XINHUA)—The State Education Commission [SEC] recently issued a circular urging

education departments and schools at all levels to meticulously organize teachers and staff to earnestly study and implement the "CPC Central Committee's Several Opinions on Further Strengthening and Improving Moral Education in Schools."

The SEC Circular pointed out: The "CPC Central Committee's Several Opinions on Further Strengthening and Improving Moral Education in Schools," which was issued on 9 September, represent a program for conducting moral education in schools in a new situation and a guide for intensifying and improving moral education in schools. Thoroughly implementing the guidelines of the "Opinions" is of great practical and profound historic significance in carrying out the educational policy in an all-round manner, promoting the implementation of the "Outlines for Reforming and Developing China's Education," further strengthening and improving moral education in schools, training qualified builders of and successors to the socialist cause, and promoting the construction of socialist spiritual civilization in the whole society.

The SEC demanded: Party and government leaders of the education departments and schools of all kinds at all levels should make the study of the "Opinions" guidelines an important task and include it in their work schedules. They can conduct in-depth study and gain profound understanding of the document's basic contents and substance of the guidelines through participating in discussions conducted by various departments' and schools' study sections, the activities of studying politics carried out by teachers and staff, and democratic meetings of the grass-roots party organizations; and through sponsoring study classes for middle-level cadres and teachers of politics and moral education. They should adjust their study plans in light of the conditions and their units' reality to better integrate the study of the "Opinions" with the implementation of the National Work Conference on Education guidelines and to make overall arrangements.

The SEC demanded: Education departments and schools at all levels should seize the opportunity and fully use various channels, such as newspapers, journals, radio, television, and briefings, to popularize the great significance of issuing and announcing the "Opinions" and its major guidelines and basic contents. They should publicize the CPC's fine tradition of attaching importance to schools' moral education and publicize schools' achievements and experiences in conducting moral education. They should report the situation of studying and implementation in various units, introduce relevant experiences and understandings, and create a favorable atmosphere for promoting the implementation of the "Opinions." Meanwhile, they can organize theoretical study and propaganda contingents and teachers of moral education in schools of all kinds at all levels to publish their articles or works in relevant newspapers, radio, and television to popularize the significance of the "Opinions" and to call on all circles in society to extensively

support and participate in educating young students and to jointly create a social environment favorable for young students to grow healthily.

The SEC demanded: Education departments and schools at all levels should earnestly study and formulate specific plans, opinions, and measures to implement the "Opinions," on the basis of a thorough summary of their past work experiences and lessons. They should check the current relevant documents, regulations, and systems in their localities and units against the "Opinions" to see whether they conform to the "Opinions" guidelines. They should make timely revisions to those that do not conform to the guidelines. In the meantime, they should double efforts in checking and supervising to ensure the thorough implementation of the guidelines of the "Opinions."

Central Government Said Tightening Control Over Regions

HK1909034594 Hong Kong SOUTH CHINA MORNING POST in English 19 Sep 94 p 10

[By Willy Wo-lap Lam]

[Text] Beijing has tightened control over the regions with orders that all localities duplicate initiatives and mass movements that originate from the central Government. Major provinces and localities have in the past week held cadre conferences and called mass meetings to drive home Beijing's messages. Political analysts said they had not seen such a "unanimity of action" since the tense period of a year or so immediately after the Tiananmen Square crackdown.

On the political front provincial and municipal governments have tightly toed the central Government's line about maintaining social order.

In Wuhan last Friday the vice-secretary of the party, Li Yan, quoted patriarch Deng Xiaoping on the need to "grasp tightly with both hands" the tasks of economic construction and maintaining socialist law and order.

The localities also adopted measures, first issued by Beijing, to tighten security in the run-up to the celebration of National Day on October 1. Special conferences were convened in provinces and cities including Hunan, Guangdong, Tianjin, and Shenzhen to implement the just-issued "Guidelines on Patriotic Education."

In Hunan, the birthplace of Mao Zedong, the theme of the patriotic propaganda is that "we have neglected patriotic education in the past years. Traditional morality must not be lost in the wake of the market economy."

Last week, most provinces and major cities organized activities to commemorate the 40th anniversary of the founding of the National People's Congress.

In economic as well as political measures, regional governments have stuck closely to the directives

imposed by Beijing. Following major speeches by premier Li Peng and Vice-Premier Zhu Rongji the past month, local leaders have stressed the fight against inflation as their priority task. Price inspections and the extermination of "hoarders and speculators" are featured in the local press on a daily basis.

Following Mr Zhu's just ended visit to Shandong, in which the economic czar called for measures to safeguard the production of grain and cotton, similar appeals have been made at the regional level.

In a meeting on agriculture called by the provincial government of Hubei last Wednesday, Governor Jia Zhijie said discipline must be restored to the production and distribution of cotton. Mr Jia passed along Beijing's recent decision to maintain the monopoly on the cotton market, ruling out private merchants' taking any part in buying or selling cotton and cotton products.

But Chinese economists said cadres in many areas had resisted the effort by the Beijing Government to restore elements of "direct political control" and central planning which, they said, were reminiscent of the prereform era.

And while toeing the Beijing line publicly, not a few provinces and cities had sabotaged initiatives coming from the centre. For example, activities prohibited by the central government—such as the sale of state assets and the raising of funds outside the central banking system have continued unabated.

Cooperative AIDS, VD Treatment Training Program Launched

HK1909115294 Hong Kong MING PAO in Chinese 15 Sep 94 p A12

[By "special reporter" Ching Chi (5427 2765): "China Allocates 20 Million Yuan To Cooperate With the EC To Cure and Prevent AIDS"]

[Text] After nearly a year's efforts, the Chinese Government- EC AIDS and Venereal Disease Treatment Training Program has been launched. The aim of the program is to lower the incidence of AIDS, venereal disease, and other related diseases in China.

So far more than 1,000 cases of AIDS-infected patients have been discovered in China. Although the present AIDS infection rate is very low, the disease can hardly be kept under control if the issue fails to receive great attention and AIDS is allowed to spread unchecked. On the other hand, the incidence of venereal disease has been increasing drastically in China, and the conditions of patients are getting more complicated. The percentage of mixed syndromes is as high as 50 percent of all current patients.

The above-mentioned cooperative program run by China and the EC is to involve total financing of 2,365,000 European Currency Units (equivalent to

about 24.3 million yuan). The former coordinator of the program was the Ministry of Foreign Trade and Economic Cooperation, the European executor is the Public Health Bureau of Amsterdam in the Netherlands, and the Chinese executor is the Ministry of Public Health.

The specific objectives of the program are as follows: 1) to improve the management of AIDS and venereal disease control projects; 2) to improve the clinical care for AIDS and venereal disease patients; 3) to improve the laboratory diagnosis of AIDS and venereal diseases; 4) to improve the studies in AIDS and venereal disease epidemiology and related public health services; 5) to improve the educational techniques of practicing physicians working at AIDS and venereal disease clinics.

To fulfill the above objectives, a national AIDS and venereal disease treatment training plan will be initiated. The specific measures are to set up two national training centers at the central level, one in Beijing and the other in Shanghai. The two centers will organize training classes in medical care for AIDS and venereal disease patients and clinical, laboratory, and epidemiological control of AIDS and venereal diseases. These training classes will offer training to future teachers, who after training will teach similar classes at 25 regional centers. The administrative office of this program is established in the Beijing Municipality public health and quarantine station. The first management training class under the program will open in mid-November this year.

It is also said that medical and public health departments in China have stepped up medical research into AIDS. Some institutes and specialists have tried to apply traditional Chinese medicine to the study of vaccines, reagents, and Chinese medication in this specific area. So far their studies have scored a lot of good results.

Media Seminar Opens; Taiwan, Hong Kong Represented

OW1709172894 Beijing XINHUA in English 1541
GMT 17 Sep 94

[Text] Wuhan, September 17 (XINHUA)—A seminar gathering media people from the mainland, Taiwan and Hong Kong opened today in this capital of central China's Hubei Province.

It is the second meeting of media people from the three places following the first one in Hong Kong last year.

The seminar is sponsored by the All-China Journalists Association.

Commentary Views Upcoming Civil Servant Examinations

HK1709081694 Beijing CHINA DAILY in English
17 Sep 94 p 4

["China Daily commentary" from the "Opinion" page: "Civil Service Reform"]

[Text] Exams for budding civil servants are being launched by 29 central government departments in Beijing on Sunday [18 September]. More than 4,000 young people with college education background are expected to participate and contest the 490 places on offer.

The event marks a step forward in the implementation of the "Provisional Regulations on Civil Servants," which was adopted last year. It also indicates that personnel reform is in full swing.

China's revolutionary ranks led by the Communist Party first grew from nothing to something and then from small to big. All those who held posts of responsibility, however minor, in them have been called "cadres."

Even after the founding of the People's Republic, no big change in this personnel system took place. The result is that all who work for and are paid by the government—including administrative officials, army officers, school teachers, doctors, artists, scientists—are "cadres" without exception and distinction.

But China's modernization drive and socialist market reforms require better educated and qualified management personnel.

The "Regulations on Civil Servants," which embody the eight-year deliberations of many, aim to meet the country's urgent personnel needs. The rules preserve the fine personnel-management traditions of our Party and government and incorporate the best ideas developed by civil service systems in other countries.

Since the rules were promulgated a year ago, valuable experience has been garnered from pilot trials carried out by provincial and other local authorities.

It has been shown that the regulations clearly define who is and who isn't a civil servant.

And the spirit of competition and incentive contained within the whole document has been shown to be beneficial—for example, the recruitment of civil servants through open and fair examinations has so far proved a success. The rules state that promotion is decided by an annual review rather than seniority.

Conscientious implementation of the regulations should help to eliminate such things as favouritism, nepotism and corruption—resulting in the clean and honest government desired by the people.

Because of the fair play and incentive they guarantee, the new rules should encourage talent and enthusiasm among civil servants—resulting in a streamlined, efficient administration that facilitates government and better serves the interests of the people.

The introduction of new personnel criteria is just one part of China's overall administrative reforms. These reforms are critical, for only an efficient and democratic

administrative system grounded in law can ensure the nation's long-term stability and boost sustained economic development.

The new civil servant system is scheduled to be instituted across the country within the next three years or so.

A national conference held in August called for acceleration of the personnel reforms.

Sunday's exams in Beijing will undoubtedly provide a vivid example of the progress of the new system.

Our hope is that the reforms will continue to be properly carried out and that they prove as effective as intended.

Military

Jiang Zemin Calls For Improving PLA Management

OW1809070494 Beijing XINHUA Domestic Service in Chinese 0821 GMT 15 Sep 94

[By reporter Ma Xiaochun (7456 2556 2504)]

[Text] Beijing, 15 Sep (XINHUA)—Jiang Zemin, general secretary of the CPC Central Committee, state president, and chairman of the Central Military Commission, met with the delegates to the all-army management work conference. During the meeting which took place at Zhongnanhai today, he emphasized: Under the new situation, some new, higher demands have been set for army management. It is necessary to constantly study new circumstances and new problems, strive to increase knowledge of management, improve the management system, upgrade management, and keep promoting the revolutionization, modernization, and regularization of our army.

When Jiang Zemin, accompanied by the Central Military Commission Vice Chairman Liu Huaqing and the Central Military Commission members Zhang Wannian and Fu Quanyou, arrived at 0900, the delegates greeted him with warm applause. He waved to them in acknowledgement. He said: The all-army management work conference, a very important conference, has been well-convened. On behalf of the Central Military Commission, I give you comrades my cordial regards.

Jiang Zemin said: In recent years, all units of the People's Liberation Army [PLA] have seriously studied Comrade Deng Xiaoping's thought on army-building during the new period and the Central Military Commission's army-building policies, conducted a thorough research on the characteristics and law of troop management under the new circumstances, made great efforts to improve the management, and achieved remarkable success in this regard.

Jiang Zemin pointed out: The army management work is a basic work of fundamental and overall importance for army building. While local governments rely on good management to yield economic efficiency, the PLA units

rely on good management to enhance combat effectiveness. The better the units are managed, the stronger their combat effectiveness. In order to build a revolutionized, modernized, and regularized army, we must manage the army well in a commensurable way. I hope that you will continue to improve army management in an all-around way; carry forward the PLA's fine traditions; uphold the principle of unity, political equality, respect, and love between officers and men; respect, show concern for and cherish the fighters; strengthen the unity between officers and men; and always keep the distinctive character of the Red Army veterans. The management work is very practical, meticulous, and arduous work. The party committees at all levels must strengthen their leadership, make great efforts to lay foundations and seek actual results, and truly do solid management work.

Jiang Zemin emphasized: Under the new circumstances, we must manage the army strictly, enhance the sense of discipline among officers and men, and ensure that all orders and bans are enforced and all actions are executed according to command. We must do all army work according to military rules and regulations; establish a regularized order in combat-readiness, training, work and everyday life; and constantly improve regularized management.

Present at the meeting were leading comrades of the three PLA general departments and the Central Military Commission's general office.

Jiang, Liu, Zhang Inscribe for Weapon Center Anniversary

OW1709193994 Beijing XINHUA in English 1305 GMT 17 Sep 94

[Text] Changchun, September 17 (XINHUA)—Chinese president and Chairman of the Central Military Commission Jiang Zemin, and Vice-Chairmen of the Central Military Commission Liu Huaqing and Zhang Zhen recently wrote inscriptions for the 40th anniversary of the Baicheng Weapon Experiment Center in northeast China.

Set up in September of 1954, the center is the first conventional weaponry experiment base of New China. So far, it has completed more than 4,000 experimental projects including those undertaken on some 200 types of new weaponry.

Experts from a dozen countries in Europe, America and Asia have come here for weapon appraisal experiments since the center was opened formerly to the outside world in 1986.

Defense Minister Returns to Beijing 17 Sep

OW1709143794 Beijing XINHUA in English 1359 GMT 17 Sep 94

[Text] Beijing, September 17 (XINHUA)—Chi Haotian, Chinese state councillor and minister of national

defence, returned here today after visiting Zimbabwe, Zambia, Tanzania and India.

Among those greeting Chi at the airport were Zhang Wannian, member of the Central Military Commission and chief of the General Staff of the Chinese People's Liberation Army (PLA), Zhou Ziyu, deputy-director of the PLA General Political Department, as well as officials from the embassies of the above-mentioned countries in Beijing.

Liu Huaqing Addresses Army Management Conference

OW1909004494 Beijing XINHUA Domestic Service in Chinese 0858 GMT 16 Sep 94

[By reporter Ma Xiaochun (7456 0879 2504) correspondent Zhang Dongwen (1728 2639 2429)]

[Text] Beijing, 16 Sep (XINHUA)— Addressing the national Army management work conference that concluded yesterday, Liu Huaqing, member of the CPC Central Committee Political Bureau Standing Committee and vice chairman of the Central Military Commission [CMC], stressed that management is a daily task of fundamental importance for army building and an essential guarantee for consolidating and strengthening the Army's combat effectiveness. Improving management work in the Army is a major step we have taken to upgrade the quality of the armed forces. Party committees and leadership at all levels must make management the cornerstone for running the Army and improve the Army's combat effectiveness by means of strict management and iron discipline.

Liu Huaqing said: There has been constant improvement in troop management thanks to the common efforts of all officers and men. The nation's policy of reform, opening up, and establishing a socialist market economic system—in addition to injecting new vigor and vitality into Army building—has created some new situations and problems. Meanwhile, the ongoing modernization of our Armed Forces has set higher demands on regular management. Therefore, only with effective ideological and political work and strict management will we be able to keep our armed forces highly stable and centralized, to meet the needs of modernization of the Armed Forces, and to provide strong and effective security guarantees for the nation's reform and opening up.

Liu Huaqing pointed out: Our Army has developed a whole set of fine traditions over the long years of practice. We must unswervingly carry forward and promote the Army's fine tradition at all times. Exploring new management methods suited to the new circumstances and injecting fresh energy into management work—while carrying forward the fine tradition—is an important task facing us.

Liu Huaqing said: Management work has a direct bearing on Army building as a whole. It is the common responsibility of leadership and departments at all levels.

Liu Huaqing urged leading cadres and departments at all levels to play an exemplary role and work hard to create better conditions for and set a good example in troop management. He said that only when leading cadres are exemplary will their guidance be convincing and effective. The various departments must coordinate their work as pieces in a chess game, interconnect management with work in all areas, and pool their wisdom, efforts, and resources in this work. Leading organs at all levels must foster the idea of serving the grassroots and performing more solid services for them to improve the material well-being and cultural facilities at the grassroots level.

Liu Huaqing urged officers and men in the military to work hard together, bear firmly in mind the responsibility and mission on their shoulders, conscientiously put the interests of the state and the Army above all else, pluck up their spirits, implement effective implementation measures, and raise our Army management work to a new level.

The conference was convened with CMC approval. Attending the conference were CMC members Zhang Wannian and Fu Quanyou, leaders of the three general departments of the People's Liberation Army, major Army units, and the Headquarters of the Chinese People's Armed Police Force.

'Largest' Military Naval Exercises Held in Zhoushan

HK1909050194 Hong Kong LIEN HO PAO in Chinese 16 Sep 94 p 1

[Report from Shanghai by special correspondent Chang Chun (4545 0689): "China's Navy Stages the Largest Scale Military Exercises in the Zhoushan Islands"]

[Text] Large-scale military exercises at sea are being carried out by the Mainland Chinese Navy around the Zhoushan Islands' Xiangshan Bay. The exercises will last more than 20 days and will be completed by the end of this month.

The current military exercises are on the largest scale and are most modern ones since the mainland Navy was founded 45 years ago in April 1949.

Liu Huaqing and Zhang Zhen, two vice chairmen of the CPC Central Military Commission, will soon go to Zhoushan Islands to observe the exercises from a warship. For the time being, there have been no arrangements for Jiang Zemin, who is concurrently the chairman of the Central Military Commission, to inspect the exercises.

The current exercises make use of more than 50 large warships of the four major fleets of the Navy of the People's Liberation Army, with the East China Sea Fleet as the main body. These warships include nuclear-powered submarines, missile destroyers, missile frigates, landing craft, antisubmarine frigates, missile speed

boats, and are accompanied by naval bombers, missile attack planes, and high-speed fighter planes.

All the five major services of the navy—the surface vessel units, submarine units, air units, coast guards, and marine corps—are taking part in the current exercises. More than 10,000 officers and men are assembled at sea.

The current exercises are commanded by He Pengfei, son of Marshal He Long, who was recently appointed deputy commander of the navy. Zhang Lianzhong, commander of the navy, will give guidance and other principal admirals will come to boost moral one after another.

The main items of the current exercises include confrontations between surface vessels, blockades at sea, landing, aircraft and warship coordination, antisubmarine activities, and logistic support on the open sea, navigation, fuelling, and so on.

The mainland Navy has always stressed the defensive nature of its naval strategy; that is, undertaking the defense of its coastal waters and not a global offensive. However, military generals, including former Navy commander Liu Huaqing, have said that coastal waters are a strategic concept and include waters under China's jurisdiction as acknowledged by the International Marine Law, such as the Dongsha, Xisha, Zhongsha, and Nansha [Spratlys] Islands.

The current exercises are also aimed at partial wars and at testing the Navy's combat effectiveness. The exercises emphasize tactical coordination in blockades at sea, and such tactics can be applied to the Taiwan Strait and the Nansha Islands.

According to the sources, the current exercises were already arranged several months ago and began to be implemented in the beginning of September. The sources maintained that this was not aimed at disturbing President Lee Teng-hui's scheduled visit to Japan.

Senior Military Leader Calls for Practical Work for Army

OW1909031794 Beijing XINHUA in English 0256 GMT 19 Sep 94

[Text] Wuhan, September 19 (XINHUA)—A top Chinese military official urged to work hard to implement policies concerning construction of the army and lay a solid foundation for the Armed Forces.

Zhang Zhen, vice chairman of the [Central] Military Commission of the Central Committee of the Communist Party of China (CPC), made the call during a recent inspection tour to the army stationed in Guangxi Zhuang Autonomous Region, Hunan and Hubei Provinces and some local military colleges.

He stressed that it is a must to vigorously strengthen ideological and political work, especially the party building.

He urged local officers and soldiers to carefully study Deng Xiaoping's theory of building socialism with Chinese characteristics and adhere to the cardinal lines of the party.

While urging them to carry on fine traditions of the army, the senior military official also stressed the importance of implementing the education in patriotism in the army.

The military thought of Mao Zedong and senior leader Deng Xiaoping's thought regarding military construction of the new period should also be followed so as to make a success of the reform in the military training routines, Zhang said.

He added that the work of fostering and improving the quality of officers at various levels should be treated as a strategic task of the country's military construction.

PLA Stresses Education on Patriotism

OW1909044994 Beijing XINHUA Domestic Service in Chinese 1120 GMT 16 Sep 94

[By reporter Luo Yuwen (5012 3768 2429) and Jia Yong (6328 3057)]

[Text] Beijing, 16 Sep (XINHUA)—To strengthen the building of socialist spiritual civilization, to enhance the cohesive force of army units, and to raise the troops' combat effectiveness under the new situation, various People's Liberation Army (PLA) units have treated the earnest promotion of education on patriotism as a long term basic task and as part of the important ideological and political work. This has helped boost patriotic feeling among the officers and men and promoted the army building.

A person in charge of a relevant department of the PLA General Political Department explained the major characteristics of patriotism education in the army.

—To adapt to the changing development under the new situation, new contents that emerge with the times have been added to the patriotism education and the theme of building socialism with Chinese characteristics has been given a prominent position in the education. Army units have always used Comrade Deng Xiaoping's theory as a guide to conduct the patriotism education. They used his theory to field the practical problems asked by officers and men on treating the relationship between patriotism and studying things from foreign countries and to make a basic distinction between China's current reform and opening up policy with the "open door" that was imposed on the old China. They helped officers and men deepen understanding of the party's basic line, principles, and policies and urged them to enthusiastically involve themselves in the great cause of building socialism with Chinese characteristics. Since the beginning of this year, arrangements have been made on imparting the basic theoretical concept of building socialism

with Chinese characteristics to cadres at regimental level or higher as well as to low-level officers and men during theoretical study sessions. Special study sessions have also been arranged to study the important view of the unity between patriotism and socialism. They helped officers and men closely integrate the concepts of loving the country, the party, socialism, and the PLA, and made them voluntarily contribute to the rejuvenation of the Chinese nation and to the modernization construction.

—To carry out the education by closely focusing on the army's basic functions and tasks and to provide a spiritual boost to increase the troops' cohesiveness and combat effectiveness. As many army units consider the all-out promotion of patriotism and the nurturing of a concept among officers and men that the motherland's interests are above all else an important ideological guarantee to accomplish well various tasks entrusted to the army by the party and the state, they therefore used patriotism to encourage officers and men and to make them act courageously by shedding blood and by sacrificing themselves in defense of the state's interests in the struggle of maintaining the state's sovereignty and territory integrity and of resisting foreign invasion. With patriotism, they brought out the revolutionary spirit of hard struggle and selfless devotion in officers and men who carried out war-preparedness training in remote areas, at sea, on mountains, in the desert, and in other rough terrains. When calling on the officers and men to perform the urgent, difficult, dangerous, and heavy tasks of disaster relief, the army also used patriotism to bring out the spirit of dauntlessness before difficulty and of devotion in them to protect the people's lives and property. To enable the servicemen to better understand and handle the relationship between the national defense buildup and the economic construction and to induce them to support and to take part in the state's economic construction, the army has relied on patriotism and urged officers and men to stress the spirit of submitting personal interests to the national interests, of forbearance, and of devotion.

—To impart patriotism education with special characteristics and to make it as rich and as colorful as possible by proceeding from the reality of each unit. The Air Force has carried out the "love the motherland, the blue sky, your job" education; the Navy conducted the "love your ships, the islands, the ocean" education; the Second Artillery Corps launched the "love your unit, the battle position, your post" education; the Lanzhou Military Region sponsored the "develop patriotism and render meritorious service in northwest China's military camp" education; the State Commission of Science, Technology, and Industry for National Defense unfolded the "love national defense science and technology, experiment sites and zones, and your job" education. These activities have scored remarkable results. They have helped make the contents of the patriotism education more

concrete. They were conducive to turning the patriotism in officers and men into a drive to serve the country. Making good use of their glorious history and taking advantage of localities' cultural heritage and manpower resources, army units also build or set up halls (rooms) to tell the history of individual army corps, divisions, regiments, or companies, which serve as bases to conduct patriotism education. They also complemented the patriotism education by sponsoring many lively and effective educational activities. They invited Red Army and Eighth Route Army veterans as well as old heroic models to report on the army's excellent traditions. They showed patriotic films, sponsored patriotic song singing and storytelling contests, collected common knowledge on patriotism, and organized meetings to emulate patriots.

Economic & Agricultural

Zhu Rongji Inspects Shandong 9-13 September

Examines Cotton Processessing Stations

OW1909063994 Beijing XINHUA Domestic Service in Chinese 0830 GMT 16 Sep 94

[By reporter Zhang Baixin (1728 4102 0207)]

[Text] Jinan, 16 Sep (XINHUA)—During his recent tour of Shandong Province, where he inspected the province's work of reforming the circulation structure of cotton and means of agricultural production, Zhu Rongji, member of the CPC Central Committee Political Bureau Standing Committee and vice premier of the State Council, pointed out: Party committees and governments at all levels should attach great importance to agriculture and rural work. The most important thing at present is to firmly implement relevant party Central Committee and State Council decisions, use any and all means to procure cotton, resolutely bring down the price of chemical fertilizer, and arouse the initiatives of peasants in growing cotton and selling it to the state. The State Council will soon send out inspection teams to various localities to check on the implementation of the policies related to cotton and chemical fertilizer.

Accompanied by Jiang Chunyun, CPC Central Committee Political Bureau member and secretary of the Shandong provincial party committee, and Zhao Zhihao, Shandong governor, Zhu Rongji inspected Liaocheng, Dezhou, Jinan, and other prefectures and cities. During the journey, he examined cotton fields and cotton procurement and processing stations in various places. He also had discussions with prefectural and county leaders and people in charge of departments concerned, supply and marketing cooperatives, and state-owned large and medium enterprises. He fully affirmed Shandong's work and joyfully said: Shandong's agricultural situation is very good this year. The cotton crops are doing quite well and a bumper harvest is in

sight. Peasants are very happy and in high spirits. Cadres at all levels are full of confidence. I hope that Shandong will seize the golden opportunity to develop the excellent situation and successfully carry out grain and cotton procurement.

Upon arriving at a place, he would cordially chat with peasants on the edge of the farm field, carefully asking them how many mu of cotton they had grown, what was their production costs, whether they were aware of the state cotton procurement price, and whether they were willing to sell cotton to the state. He patiently introduced them to the state's cotton procurement policy and helped them figure out all the benefits of growing cotton. In the cotton field of Qianhuo Village, Xinshengdian Town, Xiajin County, Dezhou City, he learned that the village had planted an average of 2 mu of cotton per capita and that per unit yield had exceeded 75 kg. After the state increased the procurement price, 70 percent of the peasant households in the village would have more than 10,000 yuan in income. He joyfully encouraged the peasants to grow more fine-quality cotton and sell it to the state, thereby making themselves well-off while supporting the country's construction. He said: What matters in cotton production is output; it pays to have higher per mu yield. Zhu Rongji also asked scientific and technological personnel to make great efforts to develop as soon as possible fine cotton varieties that produce higher yields and are more resistant to pests.

Speaking of cotton procurement work, Zhu Rongji pointed out that the Shandong party committee and government have been resolute in implementing the CPC Central Committee and State Council decisions and that their plans were carefully drawn up and their measures were effective. He stressed: The current emphasis of our work related to cotton is to use every means to have cotton procured. To this goal, we must continue to carry out in a big way thorough and painstaking propaganda and education to bring home to every person and every household the party Central Committee and State Council policies. At present, conditions for deregulating the cotton market are still lacking. Therefore, assuredly, we will not deregulate the cotton market this year. We will absolutely not allow multi-channel operations in procuring and marketing cotton. Leading comrades of party committees and governments at all levels should achieve unity in thinking and understanding and strengthen cotton market management boldly and with conviction. Individual merchants who knock on the door of every household in every village to rush procure cotton are guilty of disturbing the state's normal cotton procurement order and should be cracked down in accordance with the law. Zhu Rongji also said that supply and marketing cooperatives, which have a monopoly over cotton in the state's trust, shoulder major responsibilities in this regard and should become models in implementing state policies and providing good services. He urged them, first, not to cheat or hurt peasants by lowering the price or grade; second, not to cheat or hurt textile enterprises by raising the price or grade; and

third, not to adulterate cotton and thereby commit crimes. He told everybody: This year, China's financial situation is quite good. Our agricultural banks have raised enough cotton procurement funds. I guarantee that no "IOU's" will be given to peasants in cotton procurement.

Every time he arrived in a cotton field, Zhu Rongji would ask the peasants directly the price they paid for chemical fertilizer. He also examined supply and marketing cooperatives' chemical fertilizer business and the production and management of some of the chemical fertilizer plants. He pointed out that raising the price of chemical fertilizer too sharply will offset the gains realized by peasants as a result of the state's increase of cotton price and will seriously dampen their initiatives in growing grain and cotton. He asked all localities to firmly and promptly implement the guidelines of the national conference on reforming the circulation structure of the means of agricultural production and quickly bring down the price of chemical fertilizer. He said: Chemical fertilizer plants should strictly abide by the factory price set by the state and sell at least 90 percent of their chemical fertilizer to supply and marketing cooperatives, retaining no more than 10 percent for sale by themselves. In addition, chemical fertilizer plants are not allowed to sell their products directly to peasants. Supply and marketing cooperatives should strictly abide by the sales price set by the state and should mark their prices clearly. Grass-roots supply and marketing cooperatives shall sell chemical fertilizer by consignment; they are not allowed to contract out to individual operators. At the same time, efforts should be made to consolidate and put the circulation channels in order and to resolutely ban illegal business operations.

Zhu Rongji said: The State Council will dispatch joint inspection teams to various localities in the coming days. These teams, to be headed by people in charge of departments concerned, will inspect progress made in implementing the guidelines of the national cotton conference and conference on reforming the circulation structure of the means of agricultural production. The entire nation should make concerted efforts and adopt resolute measures to have cotton procured and the price of chemical fertilizer lowered so as to create conditions for reaping a more bumper harvest in agriculture next year.

Everywhere he went, Zhu Rongji expressed his deep concern with the state of affairs related to raw materials, production, and efficiency of textile enterprises. In discussions with plant directors during his inspection of textile plants in various places, he time and again stressed: The textile industry should seize the present opportunity to adopt decisive measures to speed up structural readjustment. Appropriately increasing the cotton procurement price this time not only helps arouse the initiatives of cotton peasants but also contributes to restructuring the textile industry in accordance with the economic law by closing down small plants with obsolete

equipment and inferior product qualities, which cause wastes in resources. Today, small obsolete plants that stopped production will not be allowed to reopen again, so as to concentrate on guaranteeing the operation of more efficient large and medium cotton textile enterprises. This will benefit both peasants and local governments more.

In discussion with plant directors in Jinan city, Zhu Rongji also affirmed Shandong's achievement in improving state-owned enterprises. He asked state-owned enterprises to accelerate the transformation of operating mechanisms, strengthen internal management, and push forward the reform in establishing a modern enterprise system.

Accompanying Zhu Rongji during his inspection tour were people in charge of relevant party Central Committee and State Council departments, including Liu Jimen, Duan Yinbi, Luo Zhiling, Ma Kai, Jin Renqing, Ma Lisheng, Liu Chengguo, Du Yuzhou, Zhang Xiao, and Shi Jiliang.

Urges Meeting Purchase Quotas of Cotton

OW1609193194 Beijing XINHUA in English 1324 GMT 16 Sep 94

[Text] Beijing, September 16 (XINHUA)—Vice-Premier Zhu Rongji stressed today that this year's state purchase quotas of cotton must be fulfilled and the price hikes for fertilizers must be checked.

Zhu made the call at the end of a five-day inspection of the work of state cotton purchasing and reform in the circulation of agricultural production means in east China's Shandong Province from September 9 to September 13.

Meanwhile, the State Council has decided to send inspection teams across the country to check the implementation of government policies concerning cotton and fertilizers.

During his tour of the province, Zhu said that Communist Party committees and governments at all levels must pay special attention to agriculture and rural work.

But, he stressed, what is most important currently is to try every means to accomplish the state cotton purchase and to bring the price hikes for fertilizers under control in order to arouse the farmers' enthusiasm to sell their cotton to the state.

The vice-premier visited many cotton producing cities and counties in the province, including Liaocheng, Dezhou and Jinan. Wherever he went he had cordial talks with farmers and explained in detail the government policies concerning cotton purchase and the lifting of the purchase price.

Zhu, also a member of Standing Committee of the Political Bureau of the CPC Central Committee, said

that there will be no lifting of control over the cotton market this year, and only the state has the right to purchase farmers' cotton.

He said that government leaders at all levels should strengthen the management of the cotton market. No private dealer is allowed to buy cotton from farmers, and steps should be taken to crack down on such malpractices.

Zhu said that the supply and marketing co-operatives have been authorized to have the exclusive right to trade in cotton. They should become models of implementing the government's policies and provide high-quality services.

The vice-premier also discussed with farmers the price hikes for fertilizers, and made an investigation into the production and sales of fertilizers by the co-operatives.

Zhu urged that efforts should be redoubled to lower the price of fertilizers as soon as possible. Over 90 percent of fertilizers produced by the manufacturers should be sold to the co-operatives and then to farmers at prices set by the state.

Zou Jiahua Meets Three Gorges Project Experts

OW1909004394 Beijing XINHUA Domestic Service in Chinese 0908 GMT 16 Sep 94

[By reporter Li Anding (2621 1344 1353)]

[Text] Beijing, 16 Sep (XINHUA)—The world-renowned Three Gorges Project has formally entered the preparation phase of construction. An initial design for its power transmission and transformation system has been accomplished. Vice Premier Zou Jiahua held a discussion meeting in Beijing yesterday with 25 experts hired by the office of the State Council Three Gorges Project Construction Committee to hear their opinions about the initial design.

Zou Jiahua said: Owing to the rapid development in China's industrial and agricultural production, the supply and demand of electrical power has experienced outstanding problems. The answer to these problems is that, in addition to the development of thermal power stations, it is necessary to accelerate the development of hydropower resources. For a long time in the past, we were slow in developing hydropower stations. Limited by the low electricity prices, hydropower enterprises did not have an ability of self development. In the future, we should readjust electricity prices. In terms of developing hydropower stations, we shall adhere to the principle of amassing construction funds that have a good rollover cycle, focussing on the development of a whole valley, developing a system in which central and local governments are all involved in the development of hydropower stations, and paying attention to an overall development.

He said: In developing electricity industry, we should make a reasonable arrangement from the perspective of an overall national economy. When the Three Gorges Project begins to generate power, it will connect itself with more than one single power network. This will lead to the formation of a national power network. In the future, we should separate the development of power stations from that of power networks. We can pool funds from various channels to build power stations or allow various enterprises to run them. But the state should have unified plans to build and manage the power networks.

Zou Jiahua expressed his hopes that these experts will guarantee the design of power transmission and transformation system and put forward their examination opinions about some important problems involved in the design.

Guo Shuyan, vice chairman of the Three Gorges Project Construction Committee, Shi Dazhen, minister of power industry, and responsible people of other relevant departments attended the meeting. These 25 experts were currently attending a meeting sponsored by the Three Gorges Project Construction Committee. They were examining the initial design of the power transmission and transformation system.

It was learned that the Three Gorges Project includes pivotal projects, the project of resettling people in the Three Gorges area, and the power transmission and transformation system. The initial design report for the pivotal projects was approved by the Three Gorges Project Construction Committee in July last year. The program for resettling people in the Three Gorges area was also officially approved. After the initial design for the power transmission and transformation system is examined, it will be revised by the Power Industry Ministry and then submitted for official approval by the Three Gorges Project Construction Committee.

Zou Jiahua Opens Gansu-Xinjiang Double-Track Railway

OW1709041694 Beijing XINHUA in English 0327
GMT 17 Sep 94

[Text] Lanzhou, September 17 (XINHUA)—The 1,622-kilometer Lanzhou-Urumqi railway line linking the capitals of Gansu Province and the Xinjiang Uygur Autonomous Region in northwest China has been double-tracked and opened to traffic.

Its single track was first built 30 years ago and has been the only rail link between Xinjiang and the rest of the country. The laying of the second track was completed in two years, one year ahead of schedule.

A ceremony took place yesterday at Shulche, the midpoint of the railway in Gansu Province, to mark the opening.

Vice-Premier Zou Jiahua was present at the ribbon-cutting ceremony.

"The opening was another achievement in China's railway construction," the central government said in a congratulation telegram. "It will help improve the transport conditions in northwest China, promote the economic growth, social progress and strengthen the national unity in the northwest and the whole of the country."

The double-tracking railway line will increase its shipping capacity from 12 million tons in 1992 to 30 million tons. It will be able to move 50 million tons of freight a year ultimately.

Regional Meeting on Procuratorial Work Ends in Lhasa

OW1809100694 Lhasa Tibet Television Network in
Mandarin 1200 GMT 17 Sep 94

[From the "Regional News Hookup" program]

[Text] The regional work meeting of local chief procurators closed in Lhasa on the afternoon of 16 September. Raidi, executive deputy secretary; Baima Duoqi, vice chairman of the Tibet Autonomous Regional People's Congress; Jiang Cuo, executive vice chairman of the Tibet Autonomous Regional People's Government; as well as relevant responsible persons of the Autonomous Regional Commission on Politics and Law and the Law Committee of the Tibet Autonomous Regional People's Congress attended the meeting, which was presided over by Yang Youcai, chief procurator of the Autonomous Regional People's Procuratorate. Executive Deputy Secretary Raidi delivered an important speech at the meeting.

In a brief summary, Deputy Chief Procurator Pudeng Caiwang said: During the five-day meeting, responsible persons from the procuratorial system in the region conscientiously studied the guiding spirit of the Third Forum on Work in Tibet held by the CPC Central Committee and the State Council, as well as that of the Sixth Plenary Meeting of the Fourth Regional CPC Committee. They discussed and amended the measures and opinions of the party organ of the Autonomous Regional People's Procuratorate concerning studying and carrying out the guiding spirit of the abovementioned meetings. They also discussed how to create a new situation in implementing their work in Tibet.

Jiang Cuo, executive vice chairman of the Tibet Autonomous Regional People's Government and deputy secretary of the Autonomous Regional Commission on Politics and Law also delivered an important speech. He said: We should understand that the Dalai clique's separatist activities are the reason for the instability in Tibet. In essence, our struggles with the Dalai clique have nothing to do with matters concerning religious beliefs or autonomy. They have something to do with the matters concerning the unification of the motherland

and opposition to separatism. To safeguard stability in Tibet, we should cling steadfastly to the struggles against the Dalai clique until the final victory. Comrade Jiang Cuo continued: Efforts to strengthen the drive of building a clean government and launch an extensive struggle against corruption have direct bearing on the image of the party and the government as well as on the destiny of the party and the state. In launching an anti-corruption campaign, we should correct, in timely fashion, the problems that contravene the state's policy, harm the interests of the people, and provoke strong complaints from the masses. We should conscientiously and solemnly deal with any matters that cause serious problems. We should severely punish, in accordance with the law and discipline, any leading organs and cadres that are involved in economic crimes and other illegal activities. Comrades in charge of judicial, procuratorial, and public security work should have a comprehensive understanding of the principle of promoting reform and opening up and, at the same time, of fighting crimes. They should be firm and careful while carrying out their duties. They should adhere to principle. We should clearly distinguish actions that are guilty from those that are not. We should be tough on those economic cases that have severe effects. We should be resolute in dealing with these cases no matter which persons are involved in them. While dealing with crimes, we should form closer ties between the party and the government on one hand and the people on the other. Efforts should be made to avoid any bad practices that cause us to deviate from the masses and indulge ourselves in personal enjoyment. We should push forward the drive of fighting against corruption and building a clean government so as to ensure the smooth progress of reform, opening, and economic development.

Chen Junsheng at Meeting on Preventing Desertification

OW1909011494 Beijing XINHUA Domestic Service in Chinese 0252 GMT 16 Sep 94

[By correspondent Zhang Lianyou (1728 6647 0645) and reporter Zhao Lianqing (6392 6647 149)]

[Text] Beijing, 16 Sep (XINHUA)—State Councillor Chen Junsheng recently stressed: The prevention and control of desertification has all along been an arduous, long-term task for China. In the future, all areas must strengthen leadership, increase input, and step up efforts to prevent desertification. While making such efforts, they must take comprehensive measures to address the problems concerning desert, rivers, farmland, forests, and roads; strive for comprehensive development; and, thereby, produce grains, cotton, fruits, edible oil, meat, eggs, milk, and sugar from the desert.

A work conference of the National Coordination Group for the Prevention and Control of Desertification [NCGPCD] recently opened in Beijing. Chen Junsheng, Liu Jimin, deputy secretary general of the State Council

General Office, and other leaders listened to a briefing by Xu Youfang, NCGPCD director and forestry minister, on China's prevention and control of desertification. Xu Youfang said: China has dealt with desert-related problems in a total desert area of 33.66 million mu since the implementation of a project to prevent and control desertification. Among them are 6 million mu of man-made forests, 4.05 million mu of forests through broadcast seeder, 18.6 million mu of forests and grassland through closure of desert to natural resources exploitation to facilitate afforestation and cultivation of grassland, 1.14 million mu of cultivated economic forests, and 1.56 million mu of cultivated farmland. Agriculture, water resources, and forestry departments have carried out more than 600 projects of diversified operations in the desert.

Chen Junsheng pointed out: Desertification is one of the major factors endangering agricultural and animal husbandry production and people's livelihood in the desert and hampering economic development in such areas. We must proceed from the overall situation of national economic development and social progress; combine the efforts to prevent and control desertification with those to improve the natural environment, develop the economy in the desert, and help the people living in desert areas shake off poverty and set out on the road to a fairly comfortable life; and make contributions to the fulfillment of the strategy for the development of central and western China.

Chen Junsheng stressed: Though the desert areas' ecological conditions are bleak, they are endowed with abundant natural resources. In the future, while making efforts to prevent and control desertification, all areas must take comprehensive measures to address the problems concerning desert, rivers, farmland, forests, and roads; strive for comprehensive development; and promote all-round development of the agriculture, forestry, animal husbandry, water resources, and industry sectors. Areas that have scored initial successes in addressing the above-mentioned problems must open up new farmland, tree farms, ranches, orchards, and fish ponds to build oases with multiple functions designed to improve the ecology and economy and to produce grains, cotton, fruits, edible oil, meat, eggs, milk, and sugar from the desert. Among China's 2.3 billion mu's area of desert, 1 billion mu can be exploited. Successful exploitation of this 1 billion mu of desert will play an important, strategic role in easing the contradiction between a huge population and a scarcity of land confronting China.

The NCGPCD recently established a team of senior experts and advisers to conduct further scientific research in the prevention and control of desertification, in addressing the above-mentioned problems, and in exploiting deserts. Sixteen senior experts from the Chinese Academy of Sciences and other institutions were employed as team advisers.

Minister Addresses National Meeting on Forestry Program

OW1909073194 Beijing XINHUA in English 0611
GMT 19 Sep 94

[Text] Beijing, September 19 (XINHUA)—The Ministry of Forestry has mapped out a program to raise the country's poor farmers out of poverty by helping them tap forest resources, according to a senior forest official.

Xu Youfang, minister of forestry, told a national meeting on making the most of forests in mountainous areas held in north China's Tangshan city that the plan is of great importance to the country's poverty-relief program and to the state goal of making all farmers well-off by the end of this century.

China has 592 poor counties and about 80 million farmers living in poverty, with a net income of less than 300 yuan a year, most of them living in hilly areas.

The outline of the program sets as its goal the eradication of poverty in mountainous areas and all 1,000 poor state forest farms.

Farmers in the mountainous regions are expected to earn at least 550 yuan each from the developmental project, raising annual net income per capita up to more than 1,000 yuan by the end of the century.

According to the program, the forestry growth rate will be 15 percent a year and total forestry output will reach 262.4 billion yuan by 2000.

The plan calls for creating 10 cash forest development zones and 500 counties with special, rare and top quality cash forests across the country by the year 2000.

By then, 27 million hectares of forest will be yielding an output of at least 40 million tons of forest product a year.

Last year about 16 million hectares of forests yielded 20 million tons of products.

The program will include a service providing information on tree varieties, and on scientific and technological developments in planting, breeding, storing and processing, the official said.

Economist Advocates Nonintervention in Stock Markets

HK1909071194 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0712 GMT 18 Aug 94

[Text] Beijing, 18 Aug (ZHONGGUO TONGXUN SHE)—Volatile price movements on the Shanghai and Shenzhen stock markets over the last two weeks in ranges rarely seen in any other stock market have prompted noted Beijing economist Dai Yuanchen to observe that in the long term, the government should distance itself from stock markets to give them a chance to exercise self-discipline and mature.

A member of the Chinese People's Political Consultative Conference and research fellow of the Chinese Academy of Social Sciences Economics Institute, Dai said that theoretical circles have long suggested that stock speculators were taking advantage of state policies and looking to state policy preferences for signs to buy in or sell out. Therefore, the key to curb speculation on Chinese stock markets is for the government to distance itself from stock markets and to reduce the influence of state policies and hence the impact of the communication of such state policies. Only thus can stock markets be made to move toward self-discipline. Above all, ad hoc measures should be avoided.

Dai said: Because ad hoc measures are highly changeable, market fluctuations caused by policy changes tend to be drastic. Bullish and bearish market traders have been exploiting this characteristics to feed markets with stories and profit from the reaction. Therefore, long-term strategic planning should be encouraged and ad hoc measures avoided.

He conceded that in operational terms, it is not easy to keep the government away from stock markets. Recent stock market rallies from lackluster trading were precisely a result of news about a government rescue package. Some of the measures in the package are expected to cause immediate results, but some are waiting for detailed procedures which are still under discussion by the relevant departments. Things would be much easier if there was a strategic arrangement. He said that drawing the government away from stock markets does not mean removing supervision and control from the markets. However, macroregulatory and control departments which provide such supervision should focus on keeping trading movements within a normal range to avoid crashes or rapid rises.

Dai stated that Chinese stock markets are still at an immature stage and require studies in stock market strategies and the promotion of these studies. Only then will stock markets gradually mature.

Researcher Views 'Crucial' Stage of GATT Reentry Attempt

HK1909061094 Hong Kong WEN WEI PO in Chinese
15 Sep 94 p A2

["Special interview" column by staff reporter Liu Chun (0491 5028) in Shanghai on 14 September: "China Is at Crucial Moment for Reentry to GATT—Interviewing Professor Wang Yaotian, Director of Shanghai GATT Research Institute"]

[Text] At a time when the Chinese delegation is having comprehensive talks with the various GATT members in Geneva, this reporter interviewed Professor Wang Yaotian, the noted Chinese expert on GATT issues and director of the Shanghai GATT Research Institute.

The Shanghai GATT Research Institute headed by Wang Yaotian is presently China's only research institute on

GATT issues. The institute is currently fully authorized by the Ministry of Internal Trade and the Ministry of Foreign Trade and Economic Cooperation to translate the 47 international agreements of the final text of the Uruguay Round.

The old professor said the fact that the Chinese delegation was holding comprehensive talks with the various GATT members in Geneva at this time is a sign that China is at a final "decisive" stage of its reentry to GATT.

Optimistic About Reentry to GATT

Wang Yaotian said: On the current Geneva trip, the Chinese delegation is going to hold bilateral talks with the United States, Japan, and the European Union, the "giants" of the GATT members, on the relevant clauses of the draft on China's reentry to GATT. Moreover, multilateral talks will also have to be held with other members of the GATT China Working Team.

In fact, the talks are multilateral discussions that precede the forthcoming "19th Official Meeting of the GATT China Working Team" and the agenda includes no major issues other than those that have gotten in the way of China's reentry to GATT, such as tariff reductions and concessions, the opening of trade in services, the protection of intellectual property rights, transparency, and policy uniformity.

The major price Western countries are asking of China for its reentry to GATT is that they do not recognize China as a developing country and will not allow China to apply related GATT and World Trade Organization clauses on preferential treatment for developing countries.

Wang Yaotian said: The United States thinks that China is desperate to join GATT and has seized the opportunity to ask too high a price of China. This is unwise thinking because China's attitude toward the issue of reentry to GATT is clear, namely that it will not reenter GATT at any cost. If China is barred from entry to GATT, it "will play ball according to its rules." With such a strong attitude, the Americans cannot but feel the pressure.

In fact, China's reentry to GATT will play a role in promoting the economies of various countries, and this is universally recognized by all of the Western countries. In particular, the vast China market is an unusually great attraction for the United States, Japan, and the European Union. Some economists have long urged that world trade needs a country as big as China to join GATT and that world trade also needs a market as big as China.

Of the "three giant parties" to GATT, Japan has long agreed to China's reentry to GATT, and the European Union basically agrees also as long as China opens its markets. There are a few more problems with the United States only, which is the main negotiating party.

Therefore, Wang Yaotian held that there is a good chance of China's reentry to GATT and that the probability is six out of 10 that China will be able to reenter GATT this year. If it cannot do so, it is possible that its reentry will be delayed until next year.

Brown's China Visit Plays Promoting Role

Not long ago, U.S. Secretary of Commerce Ron Brown paid a successful visit to China. In his own words, Brown said "his visit to China was so satisfactory as to be beyond his imagination." During his China visit, relevant quarters in China actively proposed the restoration of bilateral talks on two major themes, namely the human rights issue and the issue of China's reentry to GATT.

Under this atmosphere, U.S. Trade Representative Kantor also announced that he would visit China next month. The two sides both hope that through further negotiations, they can remove obstacles to China's reentry to GATT.

Professor Wang Yaotian said: Now that the United States already knows China's attitude toward the issue of its reentry to GATT, it should no longer obstruct China's reentry to GATT with insignificant issues if it is far-sighted enough in the next round of bilateral discussions. The fact that U.S. Trade Representative Kantor can visit China this time will play a very positive role in promoting China's reentry to GATT.

The very core of the argument between the two sides will continue to be the question of whether or not China joins GATT as a developing country. On this question, China will not make too much of a sacrifice or concessions. But Wang Yaotian also said that the two sides can adopt a "transitional proposal" for an agreement on China's reentry to GATT, namely dividing the conditions for China's reentry to GATT for fulfillment within a certain time. This is perhaps a compromise method which will not cause each other to suffer a great loss of interests.

Wang said that the comprehensive talks in Geneva attended by the Chinese delegation will lay a foundation for the 19th meeting of the GATT China Working Team, because the 19th meeting will be a crucial meeting determining whether or not China will be able to reenter GATT. If the issue of China's reentry to GATT is approved, only procedural matters will remain concerning China entering GATT.

Flooding Disrupts Gold Production, Trading Volume Up

HK1909060094 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0716 GMT 15 Sep 94

[Text] Beijing, 15 Sep (ZHONGGUO TONGXUN SHE)—Gold output in China has risen every month so far this year, with January-August output up 34.5 percent on the same period last year and a huge increase in trading volume since June.

Gold purchase prices have been lower than international quotations. There was a rise in September last year, but the price remains 10 percent lower than the international market price. Despite repeated bans, unapproved gold markets run by regions, units, and individuals pursue exploitative gold mining and extraction with abandon, destroying gold resources. The amount of gold bought by the People's Bank of China last year dropped 32 percent on the previous year.

In early June this year, after the State Council issued a "notice banning spontaneous gold markets and strengthening the management of gold products," local gold trading across the country jumped. Despite the serious flooding of some 30 major gold mines, national gold trading volume in June and July already accounted for 67 percent of the total volume in the first five months.

BOC Announces Annual Subsidiary Rate for Savings

HK1809082394 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 18-24 Sep 94 p 1

[By Ren Kan: "State Sets Subsidiary Rate For Savings"]

[Text] The People's Bank of China has announced a 5.62 per cent annual subsidiary rate for long-term renminbi savings deposits coming due this October.

The rate is calculated on the basis of the general index of retail sales of social commodities and prices of services published by the State Statistics Bureau.

Savings with terms of three, five and eight years due in October, which have 13.14 per cent, 14.94 per cent and 17.64 per cent interest rates respectively will be subsidized according to the announced rate.

That means the actual interest rate yield for the three-, five- and eight-year term deposits will reach 18.76, 20.66 and 23.6 per cent respectively.

The high-interest yields on bank deposits are expected to earn the confidence of Chinese who have been worrying that their deposited money is losing value due to the high inflation rate.

The increased confidence should help the banks maintain a rising trend in their individual savings deposits, which would be good news in the anti-inflation fight.

By the end of July, outstanding individual savings amounted to 1,829.2 billion yuan (\$212.7 billion), a rise of 352.9 billion yuan from the end of last year. The subsidiary rate will also result in an increase in the prices of treasury bonds since their value will also be subsidized according to the same rate.

Although the treasury bonds will be subsidized according to the rate announced in the bonds-matured month, the latest announced subsidiary rate, which is higher than expected, should significantly affect people's predictions of future rates.

When the central bank announced the subsidiary rate for August two months ago, market analysts predicted that the subsidiary rate would fall in the following two weeks as macro-control measures begin to take effect.

Instead, the subsidiary rate announced for October is 0.86 percentage points higher.

So people have strong reasons to believe that the rate will not decline sharply in the coming months, although it seems the 5.62 per cent level will probably not be surpassed in the near term.

And it is presumed unlikely that the subsidiary rate would drop below 2 per cent by the end of next June, when the three-year term treasury bonds issued in 1992 will mature. According to this predication, the redeemed price for the three-year bonds will be no less than 132.5 yuan (\$15.4), or even surpass 136 yuan if the subsidiary rate is around 3 per cent 1:\$15.69).

With that expectation, people are anticipated to sell bonds at present at a high level.

The price for three-year term treasury bonds with a par value of 100 yuan (\$11.62) per bond is 121.51 yuan (\$14.12) at present.

Customs Cracks Down on Tax Rebate Fraud

HK1909055594 Beijing RENMIN RIBAO in Chinese 24 Aug 94 p 2

[By Wang Hua (3769 2901): "Customs' Crackdown on Tax Rebate Fraud Recovers Tens of Millions"]

[Text] Vigorous measures taken by the General Administration of Customs against tax rebate fraud involving forged export tax rebate declaration forms have recovered tens of thousands of yuan for the state.

In a bid to shore up export tax rebate management, since the end of last year, customs has stepped up inspections of bulk shipments of sensitive commodities of high monetary value through increasing price checks on exported commodities. By maintaining close liaison with tax departments through an information exchange system and tightening controls over specially printed forms, customs has successfully cracked down on tax rebate frauds. In mid-May this year, a certain unit filed an export declaration with the Tianjin Customs on a shipment of 30,000 meters of high-class woolen cloth, with a unit price of \$20 per meter. On inspection, the shipment was found to be 18,000 meters of peacock woolen cloth worth only 35 yuan for each meter. The fraudulent declaration involved an estimated 780,000 yuan in tax rebates.

Of the varied cheating methods, "three phoney's" (forging customs-issued export tax rebate declaration forms, customs stamps, and signatures) is more typical. In mid-April, Guilong Customs uncovered a tax rebate fraud ring based in Raoping county, Guangdong and

seized 14 fake stamps and 56 forged declaration forms, preventing the ring from defrauding the authorities of 2 million yuan in tax rebates.

State To Launch Nationwide Price, Tax Checks

OW1709181094 Beijing XINHUA in English 0914
GMT 17 Sep 94

[Text] Beijing, September 17 (XINHUA)—Grain, cotton and chemical fertilizers have been given priorities in the upcoming nationwide checks on prices.

The three are most vulnerable to price hikes and are considered the main catalysts of current spiralling inflation.

According to a senior official of the State Planning Commission, inspections will be carried out to stop unauthorized price rises in grain, edible oil, meat, eggs and vegetables.

The inspectors will also watch out for shoddy or fake daily goods.

Malpractices including driving up cotton purchasing prices, under-rating cotton when buying from farmers, will be cracked down.

The check, which has been conducted every year since 1985, will also have a special eye on prices of chemical fertilizers, postages and see that the no additional charges are added in education, medical care, electricity and rail transportation.

At the beginning of another annual nationwide checks, on taxes, the state taxation authorities today urged tax collectors across the country to check illegal tax cuts and exemptions and retrieve default taxes.

Deputy director of the State Administration of Taxation Xiang Huaichen said the check on taxes has "a vital bearing on tax reform and fulfillment of this year's tax target."

According to Xiang, taxes collected from industrial and commercial sectors during the first eight months only account for 64.1 percent of the year's planned total.

"We face a hard task getting the remaining 35.9 percent in next four months," said Xiang.

He said tax evading, defaulting and unauthorized tax breaks and exemptions are serious this year due to loopholes in new tax regime and outdated tax collecting method. "Duplicating, stealing receipts of value-added tax are rather common."

During the past nine years, Chinese Treasury recovered a total of 73.9 billion yuan from the yearly check on taxes. In 1993, about 11.3 billion yuan was retrieved and handed over to the state coffers.

Administration To Regulate Tax Collecting Agencies

HK1909053194 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 18-24 Sep 94 p 8

[By Xiao Lu: "Regulations In Store For Tax Collecting Operations"]

[Text] Tax collection in China is further modernizing along international lines with the appearance of tax collecting agencies.

The agencies—accounting and tax-related firms helping taxpayers fill state coffers—will be regulated by an industry code being considered by the State Administration of Taxation (SAT).

The tax collecting agencies should free the state to focus on macrocontrol while they help take over collection, which is the standard in the West and a scenario much anticipated in China's tax reform process.

The SAT earlier set up an office with the mandate to administrate tax collecting services in addition to drafting the relevant code.

Though lawyers specializing in taxes have yet to emerge in China, other attorneys, accountants, auditing officials, and tax consultants familiar with tax laws have rushed to fill the void. This development follows adoption of the Ordinance on Tax Collection last year, SAT division office head Gu Xiaobo said.

The ordinance states that taxpayers may leave puzzling procedures to firms specializing in the tax code.

Usually subsidiaries of tax consultancy firms, auditing firms, accountant firms, and law firms, the collecting operations had mushroomed to 649 in Beijing alone by the end of this June.

Tax services are thought to have begun when officials in northeastern Liaoning and Jilin emulated such practices widely used in South Korea and Japan as a result of frequent exposure to those countries.

However, the ordinance only recognizes the legality of tax professionals. For the time being, with no empirical statute in place, firms are left to debut and dissolve on their own. The government's involvement will be limited to keeping an eye on the firms' commissions.

Many such firms have disappeared for lack of expertise and scant profit, said Guo's assistant Lai Xianyun.

In Lai's opinion, only a small fraction of the firms operating now really conduct tax collecting business. He says their sporadic business prevents firms that are partially involved from becoming adequately specialized and may even discourage other agencies from stepping in.

Without the SAT's support and regulation, the new services will go nowhere, Lai said.

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"After repeated close scrutiny of the proposed collecting code," office chief Gu said, "some discordance still remains."

The SAT will make extra efforts to perfect the tax collecting code before it is endorsed by SAT, he added.

When the code goes into effect, the SAT will assume the duty of examining the credibility and proficiency of applying agencies. It will also host training sessions to impart new tax ordinances and amendments to the firms and will introduce operational norms and work ethics.

If taxpayers are fined for tax violation or fraud through the fault of the agencies, they can sue the agencies. The suits can result in fines of as much as 2,000 yuan (\$357).

Unregulated Sales of Assets Cause 'Considerable' Losses

HK1909082194 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0827 GMT 21 Aug 94

[Text] Beijing, 21 Aug (ZHONGGUO TONGXUN SHE)—A recent study by a concerned department in China shows that unregulated trading in property rights has caused considerable losses of state-owned assets.

Such unregulated trading is mainly translated in the following phenomena:

One, the identity of the purchaser and seller is not specified, resulting in "enterprises selling their property rights back to themselves." In particular, some loss-making enterprises carve up substantial assets and sell them back to themselves, leaving a "shell" company to go bankrupt, thus directly hurting the interests of bank creditors and the state as the owner. Two, unregulated trading procedures and excessive administrative intervention. The first victim of such an unregulated situation is asset evaluation. Some transactions are clinched even without an asset evaluation. Three, income from key assets transfers is not handled properly. In some areas, income from transfers is not paid in full or in time, or is paid or appropriated to diverse departments. In some cases, the enterprises or administrative departments in question benefit from and spend the income earned from the transfers. There are no stringent guidelines or necessary supervision on spending such income. Four, sales of state-owned assets to foreign business concerns are unregulated and riddled with loopholes. There have been instances where foreign companies have taken advantage of localities' eagerness for capital and have depressed the purchase price or managed to acquire a controlling share. The Ezhou Brewery of Hubei was estimated to be worth 28 million yuan in capital value, but a Hong Kong buyer bought it for 18 million yuan.

Experts have suggested that to stop the chaos, the state should come up with methods as soon as possible, and sales of state-owned assets to foreign businesses should be conducted more cautiously.

Government To Further Liberalize Border Trade

HK1709065194 Beijing ZHONGGUO XINWEN SHE in English 1417 GMT 16 Sep 94

[Text] Beijing, September 16 (CNS)—China has decided to further relax its control on border trade which is revealed in a circular issued by the Ministry of Foreign Trade and Economic Cooperation on active development of China's border trade and economic cooperation.

The new preferential policy on border trade is as follows.

First, those companies engaging in border trade are subject to be approved by the Ministry. Border trade fairs are allowed to be organized by governments of local provinces and autonomous regions and related management regulations of such fairs can also be formulated by their corresponding provincial and regional governments.

Second, except for those goods banned by the state such as mechanical and electric products, cigarette, liquor and cosmetics, commodities imported before the end of 1995 via designated ports by those companies approved by the Ministry will be only levied half of import tariff and product tax.

Third, border trade companies are allowed, within the quota fixed by the Ministry, to export a small amount of goods listed in the second and third categories.

Fourth, under the state's stipulations, items of cooperation between border areas and their neighboring areas of foreign countries are allowed to be endorsed by provincial and regional departments in charge of foreign trade and economic affairs.

Fifth, in those areas in which border pass is used, such pass-holders are allowed to cross border and in those areas in which the above-mentioned pass is not used yet, people can apply for a common passport for crossing border.

Senior Economist Forecasts Inflation To Continue

HK1809082594 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 18-24 Sep 94 p 1

[By Wang Yong: "Inflation Will Not Endanger Economy"]

[Text] After two go-rounds with start-stop economic cycles in the reform period since 1979, the Chinese economy today appears to be headed for a soft landing, albeit one stalked by the specter of inflation.

A senior Chinese economist forecasts that the current inflation, largely induced by unstable agricultural production and market disorders, is likely to persist for a long time.

Although the government has curbed money supply and fixed-asset investments in the first half of this year, retail prices grew by 20 per cent.

However, said Li Jiange, deputy director of the State Securities Regulatory Commission, it's still possible for China to bring inflation to below 10 per cent in the near term.

"Increased State foreign exchange reserves and a calm public sentiment in the face of current inflationary pressures will give the government time to rectify various systematic causes of structural inflation," he said.

The government has planned to cap inflation at about 15 per cent by the end of the year.

The inflationary gremlins are the following:

—Price pressure from inadequate agricultural production. A shortfall in the supply of key food items and higher production costs have led to an overall price spiral.

Shrinking arable land and explosive population growth has aggravated the shortfall, Li said.

China loses 270,000 hectares of arable land each year while adding 14 million citizens in the same period of time.

In global terms, it's estimated that the world's annual growth rate of grain output will be 1.8 per cent by 2010, while that of population growth will be 1.6 per cent.

"So it's unrealistic to rely on grain imports to settle China's food problems," Li said.

—Excessive investments. Projects under construction nationwide involve about 3,000 billion yuan (\$351.3 billion), according to initial budgets.

But actual investment is no less than 6,000 billion yuan (\$703 billion), Li said.

A disturbing trend in the investments is poor efficiency, he warned.

"About one-third of the investment projects are simply wasteful or nonprofitable, causing a black hole in the country's financial status," Li said.

Incredibly, while State-owned enterprises (SEs) are posting record deficits, their wage expenditures are soaring.

About half of the nation's SEs are running in the red, while wage expenditures ballooned by 30-40 per cent in the first half of this year.

"What is unsettling is that the inflation might lead to a wage explosion and all the damage arising from a wage-price spiral," Li said.

—Market disorder. China accelerated the pace of price reforms in 1993 and as more prices are decentralized, price levels have tended to increase. Market fragmentation due to protectionist measures by local authorities and inadequate transport and distribution systems

have allowed prices to surge. The situation has been aggravated by exploitative pricing behavior of some monopolistic producers.

According to economists from Oxford China Economics—a joint venture between the Chinese Academy of Social Sciences and Oxford Economic Forecasting, price decontrol often leads to higher price levels. But this price rise may be a once-and-for-all, essentially non-inflationary change, they said.

'Economic Commentary' on Success of Unified Exchange Rate

HK1709021294 Beijing RENMIN RIBAO in Chinese
15 Sep 94 p 2

["Economic Commentary" by Cao Ruitian (2580 3834 1131): "Stability in Wake of Unification of Foreign Exchange Rates"]

[Text] A review of the renminbi's market exchange rates so far this year is thought provoking.

At the beginning of this year, reform of the foreign exchange management system took the significant step of unifying exchange rates. At that time, there was concern overseas and domestically about the stability of the renminbi exchange rate.

So far the exchange rate record, in black and white, is there for all to see: Exchange rates have not only been basically stable but have appreciated slightly. After more careful investigations, we have identified roughly three stages in the eight months of exchange rate movements following unification: The first coincided with the first three months, when the renminbi moved up and down above the level of 8.7 yuan to the dollar; the second lasted from April to before the end of August, when the renminbi appreciated against the dollar, with the exchange rate dropping under 8.7 yuan; the third stage began after August, when the rate dropped below 8.6 yuan. As of 14 September, the rate had dropped to 8.5396 yuan, down 0.1604 yuan from 8.7 yuan on New Year's Day.

The causes of the above movements are: The first three months can be seen as a transition in the wake of the unification of exchange rates, when the inter-bank foreign exchange market had yet to take shape, rendering exchange rate fluctuations unavoidable. Once the foreign exchange market had taken shape: by April, the renminbi exchange rate began to stabilize and steadily appreciate. A deeper and more fundamental reason was the sustained, rapid, and healthy development of the national economy, and the country's rising foreign exchange reserves.

The appreciation of the renminbi exchange rate reveals the following positive factors:

One, China has achieved initial success in reform of its foreign exchange management system, and the entire economy and financial system is developing in a positive way.

Two, what has happened to the renminbi exchange rate is a genuine response to market demand and supply, not manipulation or administrative intervention. The result reveals the enormous vitality of the new exchange rate system.

Three, the unification of the exchange rate will undoubtedly promote the transformation of enterprises' operating mechanisms, enterprises' motivation to increase foreign-exchange earnings and their international competitiveness, and an improvement of the foreign investment environment.

Statistics Bureau Warns of Worsening Inflation
HK1709C *CHINA DAILY in English*
17 Sep 94 p

[By Wu Yuesheng "High Growth Sparks Warning"]

[Text] The State Statistics Bureau yesterday urged relevant official departments to keep a close eye on the economy's brisk growth.

August's national economic performance figures showed persistent high growth in retail sales, prices and industrial production, the bureau said in its monthly report.

In August, the country's retail sales totalled 128.6 billion yuan (\$15 billion), up 34 per cent from the same month a year ago.

August's retail sales growth represented a record high on a year-on-year basis.

However, adjusted for inflation, the yearly growth of retail sales stood at 8.5 per cent last month.

Bureau economists explained that summer's muggy weather was a major factor behind the high retail sales as Chinese residents tried to keep cool by buying air cooling appliances.

Popular products last month included air-conditioners, electrical fans and other high-valued products.

Consumers showed a strong desire to buy high-valued products, as happened in 1988, aiming to keep their renminbi savings from further devaluation.

These high-valued products included gold jewelry, colour TV sets, video cassette recorders (VCRs) and other durable electrical appliances.

During the first eight months of this year, the country's retail sales totalled 972.6 billion yuan (\$113.1 billion, up 27 per cent from the same period a year ago).

"The macro economics in China continued to stay on a fast track and tends to be on the verge of the red light economic warning area," the bureau warned.

In August, the yearly growth of consumer prices, which include service rates, stood at 25.8 per cent nationwide, while retail prices chalked up a year-on-year rise of 23.5 per cent.

The rise in commodity prices was mainly due to this year's unprecedented natural disasters, State units' wage reforms and price reforms on farm and sideline products, the bureau said.

Heavy storms, flooding, drought and insects severely damaged agricultural production in many parts of the country.

The disasters caused a shortage agricultural products on the domestic market, pushing up prices.

The situation was worsened by the introduction this year of wage reforms to increase the income of government staff, and price reforms to deregulate farm products.

During the first eight months of this year, consumer prices grew 22.8 per cent nationwide from the same period a year ago, and the year-on-year growth of the country's retail prices was 20.4 percent.

Economic Commission Implements Inventory Controls

HK1909081894 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0945 GMT 14 Sep 94

[Text] Beijing, 14 Sep (ZHONGGUO TONGXUN SHE)—Recently, China's State Economic and Trade Commission successively convened seminars on work to limit the production of overstocked commodities, reducing inventories, and facilitating marketing in Beijing, Shandong, and Shaanxi to urge various localities to strictly curb the trend of huge inventory growth by economic means and to strive to raise the nationwide proportion of industrial production to marketing to over 95 percent within this year.

The new measures introduced by the State Economic and Trade Commission are as follows:

1. For products which have been overstocked and unsalable for a long time, loans will definitely be stopped to urge the enterprises concerned to change their line of production, and for enterprises with too many overstocked products, the departments concerned can, if necessary, coordinate with each other and adopt such administrative measures as restricting their use of electricity and the supply of other types of energy to limit or stop their production.
2. For key industries and enterprises with, because of transport-related factors, increasingly greater amounts of capital employed in finished products, communications and transportation departments should give them strong backing on transportation arrangements.
3. Every industry must organize its key state-owned enterprises together and, if conditions allow, can also extend ties to large and medium-sized enterprises in other economic sectors. They can refuse to make deliveries if money or capital guarantees are not available and can take joint action to resist delinquent practices.

Article Views Home Ownership Plan, Foreign Investment

HK1909070594 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0850 GMT 23 Aug 94

["Special article" by Li Ying (2651 7751): "Mainland China Encourages Foreign Investors To Participate in 'Home Ownership Plan'"]

[Text] Hong Kong, 23 August (ZHONGGUO TONGXUN SHE)—The mainland real estate industry has developed vigorously over the past few years. However, property developers have invested most of their money in the construction of luxury properties, apartment houses, and villas, which are primarily sold to foreign investors. Moreover, the supply of flats for foreign sales has surpassed demand, leaving a great number of flats vacant. Last year, the mainland authorities began readjusting the investment structure of the real estate industry and encouraged property developers to invest in the "Comfortable Living Project"—building low-income housing commensurate with the mainland residents' purchasing power (equivalent to Hong Kong's "houses under the Home Ownership Plan"). The authorities would offer investors various special inducements in terms of land for development, credit, taxation, and profit. Consequently, the amount of foreign investment in the mainland's low-income residential housing in the first half of this year increased by 50 percent from the same period last year, and the space of completed houses increased by 60 percent and that of sold houses rose by 68 percent over the corresponding period last year. The construction of both ordinary and low-income housing is expected to become more vigorous.

Over the last 14 years of reform and opening up to the outside world, urban housing construction on the mainland has accelerated. According to the statistics provided by the relevant departments, the space of newly built residential houses throughout the country from 1979 to the end of 1993 amounted to 2.25 billion square meters, and the average per-capita housing space increased by more than 100 percent, from 3.6 square meters in 1978 to 7.5 square meters at the end of last year. Its growth rate ranked among the world's highest. Nevertheless, because the mainland's previous average per-capital housing space figures were relatively small, there are still strains on the current housing conditions of the urban population. Many households have an average per capita housing area of just 4 to 5 square m.

In view of this state of affairs, the mainland authorities implemented the "Comfortable Living Project" at the beginning of this year. The state allocated 100 billion yuan as circulating funds and encouraged local and foreign investors to participate in the construction of low-income housing by adopting various preferential policies and will strive for an additional 200 million square meters of newly built and reasonably priced

houses in every large or medium city so that, by the year 2000, the average per capita housing space will have amounted to 8 square meters or more.

It has been reported that, in accordance with the "Comfortable Living Project" program, Shanghai has planned to construct 9 million square meters of low-houses every year and has been encouraging foreign investment in the construction, with special inducements guaranteed in many ways, such as granting developers some loans in advance for the starting of construction and guaranteeing an investment return of 15 percent for development. The swift-footed arrive first. At the beginning of this year, Hong Kong's Hang Lung Group had already invested \$1.5 billion in the construction of 750,000 square meters of reasonably priced housing in three old districts of Shanghai's city proper. After completion, the project can accommodate 7,000 households which are suffering housing difficulties.

Beijing now has a population of approximately 12 million people, and housing is especially strained there. Moreover, nearly 50,000 newlyweds need housing every year. If a household needs 30 square meters of housing, a space of 1.5 million square meters of newly built housing will be needed. At the same time, the existing dilapidated and old houses—totalling 10 million square meters—need reconstruction. As such, the tasks for Beijing to carry out in the "Comfortable Living Project" program are relatively heavy. Apart from allocating a huge sum of money for the construction of ordinary housing, the municipal administrative authorities have also encouraged foreign investment in construction of low-income housing for mainland residents to buy and have promised them special inducements in terms of land for development, taxation, and profit. Over the last six months, Beijing has signed contracts on renovating a series of dilapidated houses and building merger-profit houses one after another with investors from Hong Kong, the ROK, Singapore, and the United States. Among them, the Hong Kong Cheung Kong (Holdings) Limited invested \$2 billion in the reconstruction of Fengtai, Majiabao, and two other old districts in Beijing. The first-phase project, which has nearly 100,000 housing units of 700,000 square meters, will help accommodate large numbers of households beset with housing difficulties.

Since the beginning of this year, other large and medium cities on the mainland also have made advances in carrying out the "Comfortable Living Project." For example, Tianjin has signed contracts with U.S., Singaporean, Malaysian, ROK, Hong Kong, and Taiwan investors on building low-income housing in approximately 10 old districts, with a total investment amounting to over \$2 billion. This year Guangzhou has absorbed and used foreign capital totalling \$3.5 billion in construction of low-income housing. It has reconstructed 1.3 million square meters of low-income housing in

Baiyun District and three old districts in the city proper. Fuzhou also has absorbed \$2.2 billion in foreign capital to build nearly 1 million square meters of reasonably priced, low-income housing.

In addition, since the beginning of this year, such cities as Wuhan, Changsha, Qingdao, Chongqing, Nanning,

Shantou, Xiamen, and Haikou have successively absorbed foreign capital to carry out the "Comfortable Living Project." It is believed that, by the end of this century, housing conditions in various large and medium cities on the mainland will have been improved quite significantly.

East Region

Jiangsu To Build Export-Oriented Farming Zone

OW1809115394 Beijing XINHUA in English 0818
GMT 18 Sep 94

[Text] Nanjing, September 18 (XINHUA)—To explore a new way to modernize China's agriculture, a high-tech export-oriented agricultural experimental zone is to be built in Yangzhou of East China's Jiangsu Province.

The experimental zone, approved by the State Planning Commission, includes 53 townships along the Beijing-Hangzhou Canal in Gaoyou, Baoying, Xinghua, Jiangdu counties and the suburbs of Yangzhou City.

It will mainly produce fine-breeding rice, lotus roots, ginkgo, gaoyou duck eggs, river crabs and shrimps to meet the demands of foreign markets.

Construction of the export-oriented farm zone will start later this year and is expected to complete in five years.

Jiangsu 'Satisfactorily' Implements Financial Reform

OW1709051194 Nanjing Jiangsu People's Radio
Network in Mandarin 2300 GMT 25 Aug 94

[By station reporter (Zhou Weiwei); from the "Provincial News Hookup" program]

[Text] Jiangsu Province satisfactorily implemented reform of business accounting and taxation as well as budget planning in the first half of this year. Jiangsu made smooth progress in reforming the system of business accounting and taxation and achieved marked successes in financial work.

According to a report filed by station reporter (Zhou Weiwei), Jiangsu Province churned out a GNP [gross national product] of nearly 160 billion yuan in the first half of this year, posting a growth rate of 16.5 percent over the same period of last year. Industrial production enjoyed rapid growth and economic efficiency gradually took a turn for the better. As a bumper harvest was reaped in the summer, peasants' per-capita income increased by more than 150 yuan. Meanwhile, supply basically meets the demand on the market and the increase in commodity prices somewhat slowed down. The total volume of retail sales was approximately 58 billion yuan in Jiangsu in the first half of this year, posting a growth rate of 20.8 percent over the same period of last year. In addition, Jiangsu enjoyed new growth in foreign trade and new development of science and technology, education, culture, public health, and construction at cities and towns.

On the whole, Jiangsu's implementation of its budget plan showed the following characteristics in the first half of this year. First, Jiangsu's financial revenues maintained a relatively high growth rate. Second, value-added

tax, sales tax, and local tax which constituted the principal source of financial revenues, showed a comparatively slow growth rate. Third, financial expenditures increased too fast and it was more difficult to balance budgetary revenues and expenditures. Fourth, although enterprises somewhat improved their economic efficiency, the losses they posted were still very huge.

In the first half of this year, Jiangsu's financial and taxation departments made efforts to successfully implement the plan for financial reform, thereby ensuring Jiangsu's smooth transition from the old to the new system. Meanwhile, they vigorously supported production sectors' development in Jiangsu and practically strengthened control over tax collection and revenues, thereby giving full play to the role of their financial functions.

Shandong Secretary Speaks at Education Work Conference

SK1609125194 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 15 Sep 94

[Text] The provincial education work conference was held ceremoniously in Jinan on 15 September. The conference was a key one in Shandong's history of educational development. Its central tasks were to further unify thinking in line with the strategy of developing education on a priority basis, which should be comprehensively implemented; to mobilize the entire party and entire society to show concern for, support, and develop education; to accelerate educational reform and development; and to open up a new situation in Shandong's education. Provincial leading comrades attended the conference. They were Jiang Chunyun, Zhao Zhihao, Li Zhen, Lu Maozeng, Tan Fude, Yu Zhengsheng, Dong Fengji, Zhang Ruifeng, Wu Aiyang, and Cui Weilin.

Jiang Chunyun, secretary of the provincial party committee, gave an important speech. He emphasized five issues. First, we should fully understand the important strategic significance in developing education on a priority basis. Education is the key to realizing the strategic shift of economic construction, a tremendous motivation for economic and social development, the strategic input aimed to increase the competitive edges of our nation, and an undertaking of vital and lasting importance to achieve enduring order and stability of the country. All views and deeds that neglect education are wrong and harmful. We must adopt every means possible to promote education. Second, we should strive to attain the grand goals of Shandong's educational development. By the end of this century, our goals are to, by and large, make nine-year compulsory education universal and eliminate illiteracy among young and middle-aged people three years ahead of schedule; to notably improve all the people's education level; to further develop the pre-employment and on-the-job education of urban and rural laborers; to achieve substantial development in higher education; to become capable of training most of the senior professionals of the province;

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and to build an initial framework for the socialist educational system that is compatible with economic construction and social development, that has an optimal scale, reasonable structure, and perfect functions, that is of high quality and good efficiency, and that coordinates all types of education. Third, we should promote educational reform in an active and prudent manner. Fourth, we should comprehensively implement the party's principles for education and strengthen and improve the ideological and political work of schools. Fifth, we should conscientiously strengthen party leadership over education. Party and government departments at all levels should truly include education high on their agenda and attach due importance to it. Top party and government leaders should attend to it personally. All trades and professions, as well as leaders at all levels, should do practical work in benefit of education and solve specific problems for it.

Zhao Zhihao, deputy secretary of the provincial party committee and provincial governor, spoke on how to implement the outline of China's educational reform and development and accelerate Shandong's educational reform and development. He pointed out: To carry out the outline and attain the goals of Shandong's educational development, we should adjust and optimize the structure of education and greatly develop vocational and adult education. In higher education, we should focus on improving the quality of instructions and the efficiency in running schools.

Zhao Zhihao urged all localities to earnestly enforce the law on teachers, step up efforts to improve the contingent of teachers, and expand the scale of teachers' training institutes to make sure that the contingent of teachers conforms to educational development. We should adopt effective measures to further increase teachers' wages and their social status.

Zhao Zhihao emphasized: All localities should mobilize forces from all quarters of society to increase investment in education and phase-in the system under which education funds come mainly from the allocation by finance departments, but also are raised by all quarters of society and individuals through various channels.

Vice Governor Zhang Ruifeng chaired the 15 September conference.

Firm Breaks Shanghai Telecommunications Market Monopoly

OW1709191094 Beijing XINHUA in English 1320
GMT 17 Sep 94

[Text] Shanghai, September 17 (XINHUA)—Shanghai branch of the United Telecommunications Corporation (UTC) Ltd was set up here today, marking an end to the monopoly of Shanghai's telecommunications market by the Posts and Telecommunications Department.

The branch, which is mainly in charge of the network engineering construction, network operation and funds

collection in Shanghai proper, will be connected with the public telecommunications network of the Posts and Telecommunications Department.

The UTC's major task is to handle long-distance calls in areas where the local public network is not available or is ineffective. It will also undertake the business such as wireless telecommunications, telecommunications projects and the combination of telecommunications with computers.

Shandong Secretary at Jinan Army Institute's Term Opening

SK1709032394 Jinan DAZHONG RIBAO in Chinese
2 Sep 94 p 1

[Excerpts] Jinan Army Institute, located at the foot of La Shan in the western suburbs of Quancheng, held a grand beginning of term ceremony on the afternoon of 1 September.

Present at the ceremony were Jiang Chunyun, member of the political bureau of the CPC Central Committee and secretary of the provincial party committee; General Zhang Taiheng, commander of the Jinan Military Region; General Song Qingwei, political commissar of the region; Lieutenant General Yang Guoping, deputy commander of the region; Major General Zhang Wentai, deputy political commissar of the region; Li Wenquan, deputy secretary of the provincial party committee; Major General He Shanfu, deputy chief of staff under the Jinan Military Region; Major General Li Huili, deputy commander of the Air Force of the region; Major General Liu Guofu, political commissar of the provincial military district; Xie Yutang, secretary of the Jinan city party committee and mayor of the city; leading comrades of the leading organs under the Jinan Military Region, the provincial military district, the province, and cities; and leading comrades of the People's Liberation Army units stationed in Jinan.

The term-beginning ceremony opened amid the magnificent national anthem. Commander Zhang Taiheng accompanied Comrade Jiang Chunyun to review the military parade performed by the cadets. [passage omitted]

Zhang Wentai, deputy political commissar of the Jinan Military Region, stressed in his speech: We should comprehensively strengthen the construction of the institute in line with Chairman Jiang's general requirements for "being politically qualified, having a perfect mastery of military skills and good work style, strictly enforcing discipline, and having forceful guarantee." Particularly, we should conscientiously study and understand the military strategic principles in the new age, deepen the educational reform, upgrade the teaching quality, cultivate increasingly more qualified talents for the construction of the Army, and strive to be among the first-class Army schools.

In his speech, Li Wenquan, deputy secretary of the provincial party committee, urged the cadets to conscientiously study revolutionary theories, strive to transform the world outlook, be determined to serve at the military camps, cherish the Army, practice military skills, diligently engage in study and hard training, study modern military knowledge, grasp the ability in controlling modern war, and vie with one another to be outstanding cadets and young models in the new age.

Army and local leaders watched the literary and artistic programs organized, directed, and performed by the cadets.

Shanghai Stock Exchange To Punish Members With Poor Credit

OW1709201394 Beijing XINHUA in English 1256
GMT 17 Sep 94

[Text] Shanghai, September 17 (XINHUA)—The Shanghai Stock Exchange, China's largest, will punish its member companies who have poor credit, starting September 21.

According to a notice released by the exchange, it will strengthen the management of the hand-over capital and enforce clearing discipline.

The business transactions of the exchange were brisk last month. But some member companies did not conscientiously implement the duty of timely clearance of accounts, and one or two of them were in arrears by as much as millions of yuan.

The Shanghai Stock Exchange has decided that any member company which fails in clearing three times will be listed as a company with poor credit. This will be made known to the public, and the company may even have its business suspended.

The exchange has 540 member companies across the country.

Shanghai's Development Zones Make Progress

OW1809013094 Beijing XINHUA in English 0041
GMT 18 Sep 94

[By XINHUA correspondent Xia Ruge]

[Text] Shanghai, September 18 (XINHUA)—It was the autumn grain harvest season when we visited three development zones of Minhang, Hongqiao and Caohejing in Shanghai.

It is also harvest time for them, as far as profits are concerned.

Built on a stretch of waste land eight years ago, the Minhang Development Zone has approved the establishment of 120 overseas-funded enterprises, of which about 100 have gone into production, in its 2.13-sq-km area in the first construction phase.

The zone produced an industrial output value totalling 3.376 billion yuan, exported 280 million U.S. dollars-worth of goods, and delivered 895 million yuan to the state in taxes and profits in the first six months of this year.

The average value of per capita labor productivity was 222,000 yuan last year, and per capita profits created by employees at the zone reached 38,200 yuan, ranking first among similar development zones in the country.

"With one yuan of domestic investment in infrastructure, we are able to draw foreign investment of 4.26 U.S. dollars in a project, earning 5.08 U.S. dollars in foreign exchange, producing 75.28 yuan in industrial output value and generating 20.2 yuan in taxes and profits," a local official said proudly.

Covering six sq km, the Caohejing High-Tech Industrial Development Zone has already developed four sq km, which house 120 overseas-funded enterprises.

The zone now generates an annual gross output value of 6.18 billion yuan and 680 million yuan in profits and taxation. The sales income averages 330,000 yuan per capita and the profits, 70,000 yuan per capita.

Featuring trade and services, the Hongqiao Economic and Technological Development Zone has rented out 98 percent of its office buildings, and accommodates more than 400 Chinese and foreign organizations and units.

The zone sponsored 20 exhibitions and fairs, attracting 950,000 people from home and overseas, last year.

It had earned profits totalling 200 million yuan by the end of last year, and its profits registered a big increase in the first eight months of this year.

The smooth operation of the three zones has drawn the attention of foreign business people, who stream to the zones to hold trade talks and invest.

During our visit we were impressed by the efficiency and sophisticated technology of the foreign-funded enterprises in the Minhang and Caohejing development zones.

The Minhang zone has 28 projects funded by noted transnational corporations, accounting for 26 percent of the zone's total, and the number of projects funded by transnational groups in the Caohejing zone ranks first among the development zones across the country.

The two zones are Shanghai's bases for importing advanced technology and developing high-tech products.

These zones have formed a new industrial setup with export-oriented industry and technology in the main and service trade.

The Minhang zone specializes in processing export-oriented products; the Caohejing zone, new and high-tech industries, and the Hongqiao zone, service trades.

"If we combine the three zones into one, it will be an epitome of Shanghai's new industrial structure," a municipal government official in charge of industry noted.

Shanghai Growth Fund To Boost Investment

HK1809073294 Hong Kong SOUTH CHINA SUNDAY MORNING POST (SUNDAY MONEY) in English 18 Sep 94 p 3

[By Kerry Wong]

[Text] Listed fund group Shanghai Growth Investment will invest between US\$40 million to \$45 million (about HK\$312 million to \$351 million) in synthetic fibre, machinery, metallic, public utilities and cement industries at the end of the year. The fund will raise its direct investments in Shanghai from the existing 10 per cent of its total net assets, to about 40 to 45 per cent, according to managing director, Andrew Nan.

Several investment projects are due to be announced soon. The biggest will involve synthetic fibre investment, which is now under the control of the Shanghai Textile Bureau, from which the fund will take an equity interest. The investments will be about \$5.5 million. In addition, the fund will take a 25 per cent stake in a cement project, which requires about \$2.9 million.

Mr Nan said the cement plant had already obtained approval from the Shanghai Stock Exchange to float its shares. The firm will co-operate with a Shanghai energy investment company, Shenergy, in the cement project. Another project will involve co operating with a Taiwan listed firm which has metallic projects in Shanghai and Jiangsu province.

Mr Nan said there were five plants producing metallic consumer products, and the investment would be focused on setting up a sixth plant. "Eventually, the Taiwan company will move its production base to Shanghai," he said.

Shanghai Growth is negotiating to invest in a machinery plant producing construction equipment. Mr Nan said negotiations would be concluded soon. "There is a possibility for this project to list in Canada in future," he said. The fund was studying the possibility of a deal with the Shanghai city government to acquire automobile projects around the city, he said. "Such a move could expand the market share in the industry with the merging of different automobile companies together," he said. The asset allocation of the fund is 27 per cent on direct investments, 25 per cent on listed companies and the remaining 48 per cent in cash.

Shanghai Growth's share price has dropped from the issue price of \$10 to \$9.76 last week. The shift towards a more negative view on China plays was due to the macroeconomic measures launched by the Chinese government last year he said.

Shanghai Growth will conduct a global roadshow from September 28 to October 21 in Taiwan, Japan, the US, Europe and Singapore. The Shanghai fund was listed in November last year at \$96.35 million.

Central-South Region

Guangdong Province To Export U.S.\$40 Billion by Year End

OW1809141494 Beijing XINHUA in English 1240 GMT 18 Sep 94

[Text] Guangzhou, September 18 (XINHUA)—Guangdong Province, China's pioneer in reform and opening-up, is expected to export 40 billion U.S. dollars worth of goods by the end of this year, local officials said.

Between January and August, the province exported a total of 29.18 billion dollars worth of goods, up 89.9 percent over the same period of last year.

The province's plan is exporting 100 million dollars worth of goods everyday.

Guangdong's export volume has kept an annual increase rate of 21.78 percent over the past 15 years. In 1979, its export volume was 1.7 billion dollars, ranking the fourth among all provinces.

Benefited from an export-oriented economy, the province since 1986 has sold one third of its products overseas and its export value has been on top in the country, accounting almost one third of the national total.

In 1993, the province, with 1.9 percent of China's territory and 5.6 percent of the population, created 10 percent of China's GNP.

Up to the end of July, Guangdong had used a total of 35.62 billion dollars of overseas funds and had approved more than 50,000 overseas-funded enterprises, half of which are operational. The export value of these enterprises reached 10.8 billion dollars in the first eight months of this year.

Guangzhou Consolidates Intermediate Land Market

HK1909071794 Beijing ZHONGGUO XINWEN SHE in Chinese 1204 GMT 27 Aug 94

[By Zhang Chuanxi (1728 0278 3556)]

[Text] Guangzhou, 27 Aug (ZHONGGUO XINWEN SHE)—Guangzhou has decided to use four months to consolidate its intermediate real estate market beginning from 1 September.

Huang Kaiwen, director of the Guangzhou Land and Real Estate Administration Bureau, disclosed here today that there are 824 "licensed" real estate brokers in Guangzhou at present. Huang said that one thing to be

done in the current consolidation is to inspect whether or not brokerages buy real estate during transactions and resell them at higher prices.

In Guangzhou, the resale of real estate at higher prices in intermediate business violates relevant regulations. However, it has been disclosed that some brokers are still greatly interested in such resales, thus harming the interests of consumers.

The consolidation of brokerages also includes inspecting whether or not they have violated laws about profiteering in land or houses under construction, whether or not they have evaded tax payments, whether or not they have falsely advertised sales and sales in advance, and whether or not they have directly involved themselves in real estate development.

According to the regulations, each brokerage should have at least three "licensed" brokers. However, a person in charge of the Guangzhou Industry and Commerce Bureau disclosed today that the problem of doing business without a license is quite serious.

The person in charge of the bureau said that in the past month, the bureau had received over 100 complaints about brokerages. He said: To date, more than 300 real estate brokerages have been approved by Guangzhou City. In addition, over 60 such offices have been approved by various districts. To strengthen management, the right to approve the establishment of such offices will be returned to the Guangzhou City Industry and Commerce Bureau and the Guangzhou City State Land and Real Estate Administration Bureau.

Demanding irrational charges is one problem which commonly exists. Some offices ask for as much as 5,000 yuan as "bond money," which is "not refundable," simply to show customers around houses. Advertisements by some companies are often exaggerated and unreal.

It is learned that Sino-foreign brokerages are also included in the current consolidation.

Guangzhou Improves Investment Environment for Foreigners

HK1609150794 Beijing ZHONGGUO XINWEN SHE
in English 1333 GMT 15 Sep 94

[Text] Guangzhou, September 15 (CNS)—The Guangzhou municipal government is determined to adopt a number of major measures in a bid to further better investment environment with an eventual aim of bringing in much more foreign investment. The measures are mainly to strengthen functions held by the administrative department in order to upgrade efficiency in handling procedures required of foreign invested items.

Guangzhou achieved striking success and received favourable response from overseas investors for its new measures previously implemented for introduction of

foreign capital which involved the offering of shareholding to foreign investors who were allowed to have a share of the market for making profit in exchange for capital, technology and economic results from foreign investors, according to Vice Mayor Dai Zhiguo. As of last August the municipality made use of actual foreign capital valued at U.S.\$1.55 billion, surpassing the year-round amount in 1993. It is expected that the municipality will bring in foreign capital totalling U.S.\$2 billion this year.

The municipal government went further by adopting new measures to improve the investment environment. The service centre for foreign investment is entitled to some corresponding functions in order to meet the needs.

—The service centre together with the "convenient street for foreign trade" are turned into a place for foreign investors in which they can get necessary procedures handled by various departments. Government organs related to foreign investment should open offices there to serve foreign businessmen.

—The centre is authorized to play a leading role in helping solve problems facing foreign investors and making proper coordination. It is also accountable for dealing with complaints raised by foreign businessmen and settling disputes.

—The centre has to publicize the investment environment and investment items available in the municipality to foreign businessmen. It should arrange negotiation for introduction of foreign capital and handle procedures for submission of invested items for appraisal and approval. The centre will gather together application for items of large investment for a joint submission for examination and approval.

—Being a coordinated entity for solely foreign funded enterprises, the centre should offer help to foreign funded enterprises to exploit the market and give a helping hand to run business.

—The centre collects on behalf of the authorities administrative charges from foreign funded enterprises and then diverts them to corresponding departments which are entitled to such revenue.

—The centre conducts a unified practice to deal with application by foreign businessmen for establishment of permanent offices as well as handle procedures involving extension or cancellation of offices filed by foreign investors. The centre also offers service to foreign funded business entities.

—A general service company for foreign investment is set up to handle various business procedures on behalf of foreign businessmen.

—Also named as the Guangzhou office for promotion of investment, the centre exercises its functions of planning, coordination, inspection and supervision in a

bid to provide service for foreign businessmen who make investment in the municipality.

Shenzhen First To Reform State Assets Management Structure

HK16090143194 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0831 GMT 17 Aug 94

[Text] Shenzhen 17 Aug (ZHONGGUO TONGXUN SHE)—After lengthy germination, Shenzhen eventually presented an important measure for the reform of the state-owned assets management structure yesterday: Shenzhen City Building Group was converted into a company managing assets, while at the same time, 17 large enterprises received certificates authorizing them to employ state-owned assets.

Media here regard this reform as a "historic breakthrough" and "a big stride" Shenzhen has made in taking the lead in reforming the state-owned assets management structure.

Since the PRC's founding, the socialist planned economy has been implemented on the mainland, and all state-run enterprises have been under ownership by the whole people. That ended in confusion about property rights, the inseparability of government and enterprises, and unclear rights and functions. Even when "state-run enterprises" were changed into "state-owned enterprises," these problems remained unsolved.

Shenzhen Mayor Li Youwei has said that the management of state-owned assets is a difficult issue everywhere in the world. Ours is a socialist country, and state property is the material basis for consolidating and developing the socialist system. Such being the case, we cannot accept the concept that only by privatization will it be possible to succeed in the management of state-owned assets. The reform under way today is precisely to explore a new path of managing state-owned assets with Chinese characteristics.

According to an appraisal and decision by the Shenzhen City Committee for the Management of State-Owned Assets (shortened to state-owned assets committee hereafter), Shenzhen City Building (Group) Corporation has 927 million yuan of net fixed assets, which the corporation has been authorized to manage by the state-owned assets committee. The City Building (Group) Corporation, in the wake of its conversion of its operational mechanism, is responsible for managing state-owned assets within the authorized realm and exercises the rights of possession, employment, proceeds, and distribution on behalf of the state-owned assets committee, and has responsibility for the preservation and appreciation of the state-owned assets the corporation is authorized to manage. The legal representative of the City Building (Group) Corporation signed a letter of responsibility on managing state-owned assets with the state-owned assets committee, which guaranteed that the state-owned assets will be worth 2.5 billion yuan by the year 2000.

In addition, the Shenzhen State-Owned Assets Committee has also taken a decision to authorize 17 large-type enterprises to manage state assets. The practice and requirements are similar to the City Building (Group) Corporation. Of the 17 large enterprises, Shenzhen SEZ [special economic zone] Real Estates (Group) Company is in charge of the lion's share of state-owned net assets, accounting for 1.43323 billion yuan.

The establishment of an authorized possession and operational mechanism for state-owned assets has converted state-owned assets into capital, and authorized operation is actually capital investment. The state has changed from property owner into shareholder, and ownership has been converted to a shareholding. The state as shareholder and the company together become subjective aspects of rights, each enjoying the rights stipulated by law and bearing obligations and responsibilities stipulated by law. The relationship between the state and the company has been converted from an administrative one to a legal one between the provider of state funds and the enterprise legal entity.

Shenzhen Establishes Group To Monitor Publications

HK1609024994 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0735 GMT 17 Aug 94

[Text] Shenzhen, 17 Aug (ZHONGGUO TONGXUN SHE)—In the light of the spirit of instructions from the Propaganda Department of the CPC Central Committee and the Propaganda Department of the Guangdong CPC Committee, Shenzhen has set up a Press and Publication Monitoring Group and a monitoring system to strengthen supervision and macroscopic guidance over press and publications work.

Shao Hanqing, standing committee member of the Shenzhen CPC Committee and director of the municipal propaganda department, will head the group. Member units include the Propaganda Department of the Shenzhen CPC Committee, the Shenzhen Press and Publication Bureau, and the Shenzhen Radio and Television Bureau.

The main task of the monitoring group is to monitor (audio and visual) and review the contents of Shenzhen's press and publications (including radio and television).

Shenzhen now has 10 newspapers, 23 periodicals, 1 publication house, 2 video publication units, several recording units, and 4 radio and television stations (including a cable television station) which have started operations or are being prepared.

Lin Zuji, deputy secretary of the Shenzhen CPC Committee, presented certificates of appointment yesterday to a number of part-time monitors.

Hainan Leases U.S. Airplanes

OW1909092294 Beijing XINHUA in English 0828
GMT 19 Sep 94

[Text] Haikou, September 19 (XINHUA)—The two MD-23 airplanes leased from the United States are expected to arrive toward the end of this month.

The 19-seat all-weather airplanes will arrive at Haikou, capital of Hainan Province, and go into operation in Hainan and its neighboring province and autonomous region.

The planes have a speed of 467 km per hour. It takes only 35 minutes from Haikou to Sanya city.

They were leased by the Hainan Agricultural Bank Trust and Investment Company.

Haikou Official on Rising Inflation, Price Controls

HK1609123494 Beijing ZHONGGUO XINWEN SHE
in English 0911 GMT 16 Sep 94

[Text] Haikou, September 16 (CNS)—Since early this year, the overall commodity prices of Haikou have been fluctuating at a high level, especially that of foodstuffs, which has risen 38.4 percent. Therefore, the relevant department of Haikou is now pitched in curbing price hikes.

According to Mr. He Hecheng, Head of the Haikou Price Bureau, inflation was comparatively high in the first two months of this year and then began to drop in March. Indexes of consumer retail prices of May, June and July were respectively 117.8 percent, 118 percent and 115.8 percent, all below 118.4 percent, an average index of consumer retail prices of China's 35 major cities. However, being affected by typhoons, commodity prices, especially those of non-staple food, rose quickly at the end of August and early September.

**Mr. He outlined several features of Haikou's inflation. First, price rise is seen in a wide range of commodities. Except six types of commodities which see a rise rate between 3.7 percent and 9.7 percent, namely building and decorative materials, Chinese and Western medicine, cultural and sports requisites, electronic home appliances, mechanical and electronic products, jewelry, etc., prices of all other commodities have grown more than 10 percent. Second, 38.4 percent growth of price is seen in food, which is the lion share of the price hike. Between January and May, grain inflation rate was 89.7 percent, the highest index among China's 35 major cities.

The main causes leading to price hike are, according to Mr. He, are the increase in production cost and greater demand, the imbalance between supply and demand, the chain reactions to the implementation of reforms on taxation system, exchange rate and prices.

At present several policies have been applied to curb inflation. First, no price rise put forward by local departments is allowed and chain reactions caused by the reform measures of the first half year must be put under strict control. Second, relevant department must adopt effective measures to guarantee the supply of grain and non-staple food. The municipal Government of Haikou has already asked farmers to quickly plant vegetable in 6,000 mu of land and at the same time bought 770,000 kilograms of melons and vegetable from neighbouring counties. The supply of meat, eggs and aquatic products have also been increased so as to meet the demand of citizens for the Moon Festival and National Day. Besides, Haikou Price Bureau has strengthened inspection and supervision over market prices and seriously dealt with behaviours such as wanton price increase or over charges.

Hubei Secretary, Governor View Family Planning Work

HK1909060994 Wuhan Hubei People's Radio Network
in Mandarin 1000 GMT 15 Sep 94

[Text] Yesterday afternoon, the provincial party committee and people's government convened a provincial family planning teleconference, at which they called on the whole province to energetically step up family planning work, successfully fulfill this year's state-assigned family planning quotas, and lay a solid foundation for the province's family planning work in 1995.

Yesterday's teleconference was attended by a number of provincial party and government leaders, including [Provincial Party Committee Secretary] Guan Guangfu, [Provincial Governor] Jia Zhijie, Wang Shengtie, Xiao Quantao, Han Nanpeng, and Wang Qigang as well as the persons in charge of a number of concerned provincial departments.

Provincial Vice Governor Han Nanpeng presided over yesterday's teleconference, at which the leaders in charge of Yingshan County, Songzi County, Tianmen City, and Huangmei County spoke one after another, giving accounts of their own family planning work. Secretary Guan Guangfu and Governor Jia Zhijie delivered important speeches.

In his speech, Secretary Guan Guangfu fully affirmed the province's family planning achievements and pinpointed several problems hindering the province's family planning work, saying: Family-planning-related problems have become very serious in certain parts of the province. He urged party committees and people's governments at all levels in the province to constantly heighten vigilance against the province's ever-growing population, enhance confidence in population control, and persistently push forward the province's family planning work in a down-to-earth manner. To this end, he noted, principal party and government leaders at all levels in the province should assume personal and overall responsibility for the province's family planning

work, unify understanding of family planning importance, seek truth from facts, improve the family planning work style, and conscientiously adhere to the existing "one-vote-veto" system.

In his speech, Governor Jia Zhijie urged all areas across the province to strengthen leadership over the province's family planning work, work out more forceful and more effective family planning measures, make concerted efforts in population control, and strive to bring about a fundamental turn for the better for the province's family planning work. Jia noted: This year, in accordance with the state-assigned family planning quotas, we should see to it that the province's population does not exceed 1.1 million, that the birth rate does not exceed 20.58 per thousand, and that the natural population growth rate does not exceed 13.3 per thousand. In order to successfully fulfill this year's state-assigned family planning quotas, we should redouble our efforts to mobilize the people throughout the province to vigorously carry out family planning work and make sound preparations for the province's family planning work in 1995.

Governor Jia Zhijie also expressed the hope that all areas and departments concerned in the province will immediately take action to strengthen the province's family planning work in a unified and comprehensive manner, press ahead with the province's family planning regularization, systematization, and legalization, and strive to open up new vistas for the province's family planning work.

Experts Select Nuclear Power Site in Hunan's Taoyuan

HK1909065094 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 16 Sep 94

[Text] Recently, a nuclear power inspection group consisting of experts and professors, such as Yang Jinshu, an expert in the Nuclear Power Office of the State Council; Zhang Bofa, director of the Electric Power Survey and Design Academy of Hunan Province; and Wu Peiquan, a nuclear power engineer, made an on-the-spot inspection in Baiyang Village of Xiyi Township, Taoyuan County. The inspection was made according to the initial assessments of the provincial meeting on site selection for the construction of nuclear power plants last May.

According to the geographic analysis maps, the experts conscientiously analyzed the geographic conditions of Baiyang Village. They maintained that the village's water resources and external environment all met the requirements for the construction of a nuclear power plant. Moreover, the geographic conditions of the area will not change for the next several hundred years. When talking about nuclear radiation, Yang Jinshu said: Nuclear power generation is a mature science, and accidents such as explosions or nuclear leakage will never happen. Thanks to the adoption of advanced protective measures, the nuclear radiation that the power plant may

cause will be far lower than that caused by a color television set or a cellular phone.

North Region

Government Approves Beijing Special Zone's Development

OW1709201694 Beijing XINHUA in English 0738 GMT 17 Sep 94

[Text] Beijing, September 17 (XINHUA)—The central government has approved the establishment of the Beijing Economic and Technology Development Zone.

The zone, which enjoys the same preferential policies given by the central government to open coastal cities, is encouraged to attract foreign investment to develop high-tech industrial and science projects in a bid to help modernize Beijing's major enterprises and expand foreign trade.

At present, construction of infrastructural facilities has been completed on a 3.8-square kilometer area in the zone, which already has approved the establishment of 65 foreign-funded enterprises involving a sum of 970 million U.S. dollars. Included were some trans-national corporations.

According to Liang Yuewen, general manager of the zone's Economic and Technical Investment Development Corporation, four enterprises have gone into operation.

He believed that the zone, which is located at the Beijing-Tianjin-Tanggu Expressway and enjoys preferential policy, will certainly become a hot place for foreign investment.

Survey Reports Beijing Social Development Tops Nation

OW1709025894 Beijing XINHUA in English 0232 GMT 17 Sep 94

[Text] Beijing, September 17 (XINHUA)—Beijing tops the nation in terms of social development, latest statistics show.

The "CAPITAL ECONOMIC INFORMATION NEWS" reported that a comprehensive survey among 29 provinces, municipalities and autonomous regions has shown that Beijing ranks No. 1 in ten indexes indicating social development.

The ten indexes are environment, population, economy, people's life, labor, social welfare, medicare and hygiene, science and technology and education, culture and sports, and social security.

According to the statistics, some 89.5 percent of the industrial waste gas were treated before releasing into the

air last year. The per capita green land reached 6.76 square meters and Beijing people's life expectancy stood at 74.5 years old.

It said that urban unemployment rate was only 0.38 percent, one of the lowest among China's large cities.

It said Beijing's infant mortality rate dropped to 10.38 per thousand and 99.88 percent of children received school education. There were 266 college and university graduates per 10,000 people.

In the past 15 years, Beijing domestic gross product grew at an average of 9.3 percent, reaching 86.35 billion yuan in 1993.

Hebei's Economic Development Zones Yield Good Results

SK1609130394 Shijiazhuang HEBEI RIBAO in Chinese 29 Aug 94 p 1

[By reporter Wang Ning (3769 1337): "The Development Trend of Hebei's Economic and Technological Development Zones Is Good"]

[Text] Over the past two years, construction of economic and technological development zones in the province has started in an all-around manner, giving rise to a good trend of development. Some of these zones have experienced remarkable headway. According to the survey of 16 provincial-level economic and technological development zones, by the end of April this year, a total of 513 enterprises were established and put into production, of which, 41 were foreign-invested ones; and a total of 41,567 mu of land had its use right transferred to foreigners, collecting 615 million yuan from users of the transferred land.

Through more than nine years of development and construction, Qinhuangdao Economic and Technological Development Zone, established with the approval of the State Council, has now entered the period of harvesting and the period of rapid growth. In the first half of this year, the enterprises gone into production at this zone created 860 million yuan in output value and 112 million yuan in profit. The foreign funds actually utilized by this zone amounted to \$27.42 million, 2.5 times the figure at the same period last year.

The development trend of Langfang, Yanjiao, Western Huanghua, and Tangshan development zones has also been good. In these zones, the management system has become reasonable, land resources have been exploited and utilized in a relatively good way, the monetary input in infrastructure facilities has reached about 100 million yuan, and about 100 projects have been carried out.

Third Inner Mongolia Islamic Congress Ends

SK1609233394 Hohhot NEIMENGGU RIBAO in Chinese 3 Sep 94 p 1

[By reporter Zhang Zhaocheng (1728 0340 2052) and correspondent Ma Shoulong (7456 1343 7893): "The Third Autonomous Regional Islamic Congress Ends"]

[Text] The third regional Islamic congress ended in Hohhot on 2 September after a four-day session. The congress relayed the guidelines of the sixth national Islamic congress, listened to and discussed the work report of the second committee of the regional Islamic association, revised and adopted the "Regulations of the Islamic Association of the Inner Mongolia Autonomous Region," and elected the third committee and new leading bodies of the regional Islamic association.

While the congress was in session, Qian Fenyong, Bao Wenfa, and Zhang Zuocai, leaders of the region, and A Yiming, vice president of the China Islamic Association, visited the representatives to the congress.

In his work report, Bai Fengming, vice president of the regional Islamic association, said: Since the convocation of the second regional Islamic congress, the regional Islamic association has done a lot of work in helping the party and the government implement the party's religious policies, in safeguarding the legitimate rights and interests of the Islamic circles, in conducting education on socialism and patriotism among Moslems, and in uniting and mobilizing all Moslems in the region to take an active part in the socialist modernization drive, thus garnering universal praise from all circles of society.

According to incomplete statistics, over the past several years, governments at various levels have allocated some 1 million yuan of special funds to repair mosques. As a result, many mosques, that had long been in disrepair and that deserve protection as cultural relics, have changed beyond recognition. Now, the regional government has approved the opening of 131 mosques and 39 bath rooms, thus satisfying the religious life demands of the vast number of Moslems.

Inner Mongolia Holds Forum on Economic Development

SK1609115194 Hohhot NEIMENGGU RIBAO in Chinese 3 Sep 94 p 1

[By reporter Liu Shaohua (0491 1421 5478) and De Bin (1795 2430): "Strive To Link Inner Mongolia's Economy With the Domestic and Foreign Big Markets"]

[Text] On 2 September, the regional party committee and government held a forum on "developing areas around Bohai Sea and on Inner Mongolia's economic development."

Qian Fenyong, Bao Wenfa, Nai Deng, and responsible comrades of the regional departments and districts concerned addressed the forum.

Qian Fenyong stressed: Owing to the relations between various leagues and cities across the region, the overall distribution of trades, and the radiating role of the central and eastern parts of the region in the entire region, the whole region will get involved in developing and building areas around Bohai Sea in varying degrees. Therefore, when we consider issues, we must proceed

from the reality of the entire region, and must not confine it to several leagues and cities. We should keep eyes on efforts to get involved in the development of areas around Bohai Sea and attach prime importance to the "mutual complementary relations of supply and demand of the regional economy."

Qian Fenyong pointed out: Converting the natural resources advantages into economic advantages is our region's fundamental strategy. In the conversion of natural resources, it is not realistic to rely mainly on the rich resources and the raw material industry. We must also rely on the intensive processing industry, the export-oriented industry, the "dragon-type" economy with leading products in the lead, and the relative tertiary industry. The coastal areas around Bohai Sea have the conspicuous advantages of funds, technology, export-oriented ability, and enterprise mechanisms. Conducting extensive cooperation with these areas under the premise of taking advantage of each others' strengths and seeking mutual benefit will undoubtedly bring new motivation to our region's key construction projects and to enterprise transformation with advanced technology and funds, and will accelerate the realization of the strategy of converting resources. The development of areas around Bohai Sea will also help solve our region's problem in searching for a passageway to the sea, enable our region to realize the tentative idea of going to sea by way of Jinzhou Port as quickly as possible, and provide favorable conditions for our region to use other ports.

Qian Fenyong stressed: To give play to the advantages of the area around Bohai Sea Economic Zone and to promote our region's economic development, we must solve not only problems on theories and understanding but, more importantly, also solve practical problems. We should fully understand the influence of economic development around Bohai Sea in our region's economic development and enhance our awareness in voluntary participation; we should meet the needs of developing the regional economy by creating conditions in such aspects as ideology and concepts, open policies, basic environment, enterprise organizational structure, and product mix on our own initiative, and should implement the specific measures. Viewing from a regional angle, all leagues and cities should take the initiative in closely depending on areas neighboring the fraternal provinces and cities around Bohai Sea and form a close relationship of mutual benefit and mutual complementary. Viewing from the angle of local economic plans, while considering and arranging projects, our region and various leagues and cities should try their utmost to keep close to the overall plan of the area around Bohai Sea Zone, exert efforts to link with it, strive to include more items in the overall plan, and strive for greater support from the state and the fraternal provinces and cities. Viewing from the angle of trades, the leading industries of coal, electricity, chemical industry, metallurgy, machinery, building materials, light industry, and forestry industry must give primary consideration to linking their developments with that of areas around

Bohai Sea, display their own advantages, bring in the advantages of the opposite side, and try by all possible means to occupy, consolidate, and develop markets in this development zone. Only by so doing can we gain the initiative. Otherwise, it will be difficult for us to win a due place in economic development around Bohai Sea.

Responsible comrades of the Inner Mongolia Planning Commission, the Economic Commission, the coordination office, and the power and light industrial departments also gave practical speeches respectively at the forum in line with the characteristics of their own trades.

Tianjin Sets Up Market for Skilled Personnel

SK1609133794 Tianjin TIANJIN RIBAO in Chinese
8 Sep 94 p 1

[Text] On 7 September in Beijing, the Ministry of Personnel, Tianjin Municipality, Shenyang city, and Shanghai Municipality held a meeting to release the news on establishing regional markets for skilled persons. At the meeting, Fang Fengyou, standing committee member of the Tianjin Municipal party committee and director of the organizational department, introduced Tianjin's situation in organizing and establishing the north China skilled personnel market and expounded Tianjin Municipality's ideas for cultivating and developing the skilled personnel market system to promote the progress of reform and opening up and economic construction. Simultaneously, he declared: The preparatory work for establishing the north China skilled personnel market has basically been completed. This market will formally open on 28 September.

Fang Fengyou said: The establishment of this market meets the need for the development of the socialist market economy, as well as a major measure for promoting the reform of the personnel affairs system. This market will play a key role in realizing the reasonable flow, disposition, and utilization of skilled personnel and promote the economic development of Bohai area and all localities in north China, as well as all parts of the country. Tianjin has comparatively more favorable conditions. Along with the establishment of this market, Tianjin will continuously bring into play not only its role as an economic center, but also the role as a center for distributing skilled persons and technologies. This market will further help promote the exchange of skilled persons between north China and all parts of the country and also create conditions for conducting international skilled personnel and intelligence exchange. Tianjin is able to benefit by serving brotherly provinces and municipalities and to develop in the course of promoting the common prosperity of the northern areas.

At the meeting, Shenyang city and Shanghai Municipality also respectively introduced the preparatory work for establishing the China Shenyang skilled personnel market and the China Shanghai skilled personnel market.

Tianjin Secretary Watches Military Skill Performances

SK1709041894 Tianjin People's Radio in Mandarin
2300 GMT 15 Sep 94

[Text] On 15 September, the Tianjin headquarters of the armed police forces held a report-back performance to demonstrate military skills. Municipal party, government, and Army leaders, including Gao Dezhan, Zhang Lichang, Liu Jinfeng, and (Jin Renjie), watched the performance. Gao Dezhan, secretary of the municipal party committee, made a speech after the performance.

He said: Over the past years, the Tianjin headquarters of the armed police forces has persisted in and implemented the guidelines of the instructions made by the party Central Committee, the State Council, the Central Military Commission, the Ministry of Security, and the headquarters of the armed police forces; persistently taken Comrade Deng Xiaoping's theory on building a socialism with Chinese characteristics as guidance; ceaselessly strengthened the construction of the police forces according to Comrade Jiang Zemin's requirements for strengthening the Army construction; strengthened training; and greatly upgraded the combat effectiveness and the overall quality of the police forces. Simultaneously, the Tianjin headquarters of the armed police forces has inherited and carried out the glorious tradition that the People's Army cherishes the people; vigorously supported the economic construction of the municipality; positively participated in the campaign of jointly developing the spiritual civilization; actively undertaken the tasks for rushing to deal with an emergency and providing relief; and particularly made outstanding contributions to safeguarding social order and defending the safety in the people's life and property.

Gao Dezhan pointed out: At present, the people from higher levels downward across the municipality are going all out to make the municipality strong and quietly immersing themselves in hard work so as to create brilliance for Tianjin again. The armed police forces are undertaking the arduous task for safeguarding the stability of society. So, I hope that all commanders and fighters of the armed police forces will clearly understand the situation; accurately grasp the relationship among reform, development, and stability; guard against arrogance and rashness; carry forward achievements; ceaselessly upgrade the political integrity of the Army; and enhance the combat effectiveness of the forces. The armed police forces should work closely in cooperation with all departments concerned across the municipality to make new, greater contributions to promoting the municipality's reform, opening up, and modernization and to safeguarding the political and social stability.

Nine-Year Compulsory Education Popularized in Tianjin

SK1809045594 Tianjin People's Radio in Mandarin
2300 GMT 16 Sep 94

[Text] Tianjin has scored great achievements in making the nine-year compulsory education universal and in eliminating illiteracy among young and middle-aged people. Tianjin's 18 districts and counties have basically made the nine-year compulsory education universal and basically eliminated illiteracy among young and middle-aged people six years ahead of schedule, thus joining the advanced ranks of the country in this aspect.

As demanded by the National Program for Educational Reform and Development, China should basically make the nine-year compulsory education universal and basically eliminate illiteracy among young and middle-aged people by 2000. This target has already been fulfilled by Tianjin six years ahead of schedule.

International School Established at Development Zone

SK1809054794 Tianjin People's Radio in Mandarin
2300 GMT 16 Sep 94

[Text] The International School of the Tianjin Economic and Technological Development Zone held the semester-opening ceremony on 16 September. This is the first international school in development zones across the country. This school is devoted to training talented people of the 21st century to meet the demands of modernization and the demands of the world. The establishment of this school has resolved the schooling problem for children of foreign workers and staff living in Tianjin and has further optimized the studying environment of development zones. Prior to the semester-opening ceremony, Vice Mayor Ye Disheng met with Madam (Salatude), master of the International School of Tianjin Economic and Technological Development Zone.

Tianjin Executes Grafter for Corruption

SK1609133594 Tianjin People's Radio in Mandarin
1000 GMT 15 Sep 94

[Text] With the approval of the Supreme People's Court, (Yun Shu), a grafter, was executed by shooting according to the law by the Tianjin Municipal intermediate people's court on 15 September.

Grafter (Yun Shu) is 31 years old. He was a worker at the marketing section of the municipal fireproof material production plant. From January 1989 to September 1992, taking advantages of his post, he embezzled more than 270,000 yuan of public funds. After his case was cracked, more than 99,000 yuan worth of stolen money and goods were recovered.

The Tianjin Municipal higher people's court sentenced (Yun Shu) to death for being found guilty of corruption.

Tianjin Executes Five Serious Criminals

*SK1809051994 Tianjin People's Radio in Mandarin
2300 GMT 16 Sep 94*

[Text] From 14 to 16 September, Tianjin Intermediate People's Court and some district and county people's courts held open trials in Hebei District, Hedong District, Dongli District, Xiqing District, Ninghe County, and Jinghai County to pronounce court judgment for a number of serious criminal cases that sabotaged social order and public security. Chen Wei and Wu Guangming, who robbed a high-class sedan and killed the driver; Chen Jingang, who robbed a taxi and killed the driver; Xie Liqiang, who committed rape, robbery, and theft; and Gong Weihua, who committed murder intentionally; were sentenced to death and executed by shooting according to the law.

Tianjin Deals With Tax Evasion, Resistance Cases

*SK1809051594 Tianjin People's Radio in Mandarin
2300 GMT 16 Sep 94*

[Text] Public security organs, procuratorial organs, people's courts, and tax organs at all levels in the municipality have concentrated efforts on and given prominence to jointly investigate and deal closely with cases with regard to tax evasion and tax resistance around the realities of tax collection work. As a result, the order in tax collection has improved further. According to statistics, the municipality as a whole has put 79 tax evasion and tax resistance cases on file for investigation and handling, retrieved 4.71 million yuan in economic losses, cracked and dealt with 264 major cases on tax evasion, and collected 5.67 million yuan in overdue tax and fines.

Northeast Region

Heilongjiang Official on Trade-Industry-Agriculture Link

*SK1809063994 Harbin Heilongjiang People's Radio
Network in Mandarin 1000 GMT 17 Sep 94*

[Excerpts] Through four years of endeavor, Heilongjiang has achieved substantial results in linking trade, industry, and agriculture. The trade-industry-agriculture organizations have basically covered major industries and major agricultural and sideline products in the province's rural areas, and a trade-industry-agriculture model suiting the characteristics of different industries and products has taken shape.

At the provincial forum on linking trade, industry, and agriculture, that ended in Hailin city on 16 September, Vice Governor Sun Kuiwen called on all localities to continuously strengthen leadership and give positive support to this work in order to make the entire economy develop toward linking trade with industry and agriculture. Since the provincial party committee and the

provincial government set forth the policy decision of linking trade with industry and agriculture throughout the province in 1991, all localities in the province have basically set up the framework of integrated management of trade, industry, and agriculture through effective mechanism by combining interests, guided by the markets, with agricultural production as the first workshop, and with key processing enterprises and competitive products as the head. Thus far, the number of trade-industry-agriculture organizations has developed to 1,000 or more in the province, and these organizations have been dispersed in the sugar refining, flue-cured tobacco, flax, [words indistinct], vegetable, and edible fungus production spheres. Key trade-industry-agriculture enterprises of different scales and different types have emerged among various cities, counties, townships, and villages in the province. In addition, the province has witnessed the emergence of the types of linking trade with agriculture, linking industry with agriculture, linking production with processing and marketing, and linking trade with science, industry, and agriculture, as well as the type of industrial groups. After exchanging experiences, various localities have also summarized the integrated operation models in the spheres of grain, livestock and poultry products, cash crops, flowers, vegetables, and [words indistinct]. [passage omitted]

Vice Governor Sun Kuiwen pointed out: Combining trade with industry and agriculture is not only a combination of forms but also a combination of interests of state, collectives, and individuals. It not only touches upon the readjustment of vested interests of various fields but also touches upon the changes in the modes of thinking and work. All localities must successfully grasp exemplary cases and strengthen classified guidance to improve the overall level of the integration. Property rights reform should be carried out among the processing enterprises and the commercial and trading enterprises whose raw materials of production are agricultural and sideline products. From now on, all the newly initiated enterprises engaged in large-scale processing of agricultural products should attract peasants in production bases to buy their shares. At the same time, we should strive to enhance the science and technology content of the enterprises engaged in agricultural production and processing of agricultural products. All localities should increase input to successfully carry out the technological transformation of processing enterprises.

Heilongjiang Sets Forth Future Anticorruption Tasks

*SK1709074394 Harbin Heilongjiang People's Radio
Network in Mandarin 1000 GMT 16 Sep 94*

[Text] The provincial telephone conference on opposing corruption, held on 16 September, pointed out: Major tasks for the anticorruption work in the last four months of this year are to enhance efforts to investigate and deal with a number of major cases concerning law and

discipline violations; to strengthen supervision, examination, and coordination; to vigorously implement various anticorruption work one by one; and to resolutely fulfill the anticorruption goals set for this year. Vice Governor Ma Shujie, presided over the conference. Zhang Yi, deputy secretary of the provincial discipline inspection commission and director of the provincial supervisory department, relayed the guidelines of the meeting on the work of the Central Discipline Inspection Commission and the Ministry of Supervision. Ma Guoliang, deputy secretary of the provincial party committee, made a report on the provincial anticorruption situation since the beginning of this year and arranged for the anticorruption work in the coming four months.

Ma Guoliang said: Since the beginning of this year, the provincial anticorruption campaign has maintained a good trend of development, progress has been achieved in all of the three aspects of the anticorruption work, and remarkable results have already been achieved in some spheres. Major indicators are: Prominence has been given to strengthening administrative honesty, self-discipline, and democratic activities among leading bodies. Some 20,000 cadres at or above the county and section levels in the province have conducted self-examination and self-correction, accounting for 96.5 percent of the total number of cadres that should participate in self-examination and self-correction. A total of 1,774 problems in five aspects have been ferreted out, of which, 1,137 have been corrected. The discipline inspection and supervisory organizations at or above the county level in the province have investigated and handled 407 major and appalling cases, held open trials on 23 occasions, and punished 216 party members and cadres who violated laws and discipline. The province as a whole has thus far abolished 1,824 items of charges, cleared off 12 million yuan of fees collected without authorization, and cleared up 388 cases, involving 200 million yuan, concerning the debt defaults to enterprises and the occupation of enterprises' property by party and government organizations and their working personnel.

Ma Guoliang pointed out: At present, the province's anticorruption work has entered the stage of tackling the most difficult problems. Thus, it is necessary to enhance the effort to investigate and deal with a number of major and appalling cases of violating laws and discipline and give priority to investigating and dealing with such economic irregularities as embezzlement, bribery, monetary fraudulence, smuggling, and serious violations of financial and economic discipline. At the same time, in line with the province's current demand of accelerating economic development, around the solution of the prominent contradictions that hamper the province's economic development, we should seriously investigate and deal with a number of money-holding departments and their working personnel that extort money from enterprises and embezzle a portion of profits of enterprises. Prominence should be given to supervision and examination, and the several issues concerning the three tasks of the anticorruption struggle should be carried out

one by one in order to satisfactorily fulfill the anticorruption goal set forth by the central authorities and the provincial party committee.

Ma Guoliang pointed out: The anticorruption work must be firmly geared to the principle and policy of serving economic construction. The new circumstances and new problems that emerged in the deepening of reform should be handled in a realistic and proper manner according to the requirements of helping develop socialist productive forces, helping strengthen the comprehensive strength of the country, and helping improve the people's living standards, and by combining the adherence to party spirit and principle with the protection of reformers and pioneers and combining principles with flexibility. So, we can attain the goal of not only strictly managing the party and punishing the corrupt, but also protecting reformers and pioneers as far as possible and protecting the people's enthusiasm in developing the economy.

Xie Yong, vice chairman of the provincial people congress standing committee, and Fu Shiyong, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference, attended the telephone conference.

Heilongjiang Holds Forum on Education on Patriotism

SK1709035194 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 14 Sep 94

[Excerpts] The propaganda department of the provincial party committee invited personages of all circles to a forum on propagating and implementing the outlines of conducting education on patriotism issued by the CPC Central Committee and extensively solicited their opinions on the morning of 14 September.

(Li Suzhen), deputy director of the propaganda department of the provincial party committee, chaired the forum. Yang Guanghong, standing committee member of the provincial party committee and director of the propaganda department, made a speech.

(Ye Liji), research fellow of the engineering and [words indistinct] research institute of the state seismological bureau and academician of the China engineering institute, said in his speech: Intense patriotism is extremely important in safeguarding the destiny of the motherland and the nation. In view of this, at present, we should arm ourselves with the theory on building socialism with Chinese characteristics and everyone should regard the construction of a powerful, prosperous nation as his duty and obligation.

In line with the actual conditions of his school, (Zhang Wei), a student from the senior high school attached to Harbin Teachers College, said: Now, middle school students' patriotic ideas get extremely weakened. So, it is extremely and urgently necessary to conduct education on patriotism among students.

(Tong Xiaoli), a National May 1 Labor Award winner and a teacher at the No. 18 middle school in Harbin, said: At present, it is very arduous to conduct education on patriotism among youngsters. As teachers, we deeply become aware of our heavy duty. I hope that all social fronts will work in cooperation with schools to undertake this duty. [passage omitted]

Yang Guanghong, standing committee member of the provincial party committee and director of the propaganda department, said in his speech: The outlines of conducting the education on patriotism, being published at a time when our country enters a key modernization period, are of far-reaching significance. We should combine patriotism with collectivism and socialism in line with the theory on building a socialism with Chinese characteristics. We should positively explore effective ways and methods for conducting the education on patriotism in the new age and conduct education among the youngsters on the Chinese nation's traditional virtues and excellent culture and the national development history so as to enhance their sense of national pride. Simultaneously, we should conduct education on the basic national situation and the basic line of the party so as to enhance the youngsters' sense of responsibility for history and their sense of mission.

Farmland 'Well-Protected' by Forest Network in Heilongjiang

OW1809115494 Beijing XINHUA in English 0817
GMT 18 Sep 94

[Text] Harbin, September 18 (XINHUA)—More than four million hectares of farmland have been well protected by a network of forests in northeast China's Heilongjiang Province.

The afforestation area built in the province since 1978 reached over 1.3 million hectares and forest coverage jumped to 14 percent from only three or four percent 15 years ago.

According to local afforestation officials, the province has a forest protecting belt of more than 200,000 km, forming 120,000 protected cells for over four million hectares of farmlands.

As a result, the 1.6 million farmland which used to suffer from soil erosion has effectively been controlled and 24,000 streams and gullies which caused serious soil erosion have been harnessed.

The province's afforestation is part of a national program of building the "three-north" forest protecting belt, which includes the north, north west and northeast China.

The provincial project covers an area of 109,500 square kilometers, one third of the province's total, winding through 30 cities and counties.

In the 30 years prior to 1980, the province's forest area dropped by 330,000 hectares, grasslands reduced by

380,000 hectares and the area of soil erosion expanded to nearly two million hectares, due to overexploration of natural resources.

According to local officials, the tree planting project has focused on scientific planning and selection of fine breeding trees.

Also, a contract and share-holding system has been introduced. In some counties and cities, stretches of waste hills and beaches were sold by auction for tree planting. These steps have greatly stimulated the motivation of farmers for tree planting.

In Baiquan County, for example, over 9,700 families have bought waste hills by contract and about 7,000 hectares of farmland with soil erosion has been dealt with every year.

Afforestation was jointly funded by the government and farmers, with the majority of funds raised by farmers. This year, government investment only accounted for five percent of the total funds, which is over 100 million yuan.

The survival rate of trees planted in recent year have reached 85 percent, according to local officials.

So far, the afforested area of the province has reached 1.13 million hectares with an accumulated living timbers of 40 million cubic meters worth more than four billion yuan. Local farmers called it a "green bank deposit".

Development of Heilongjiang Plain Sees Results

SK1809045894 Harbin Heilongjiang People's Radio
Network in Mandarin 2200 GMT 16 Sep 94

[Text] Remarkable results have been achieved in the first and second phases of the comprehensive development of Sanjiang Plain in Jiamusi city. Over the past six years since the state approved the development of Sanjiang Plain in 1988, a total of 98.99 million yuan of investment has been made; construction of 28 development areas have been completed; construction of eight bases for breeding stock, poultry, fish, and fine varieties of trees has been completed; 602,000 mu of cultivated land has been newly added; 180,000 mu of low- and medium-yield fields have been transformed; and 1 million mu of waterlogged land has been drained. In 1993, in the areas covered by the first- and second-phase agricultural development in Jiamusi city, total grain output reached 571 million kg, 370 million kg more than that before the development; and the total agricultural output value reached 679.5 million yuan, thus bringing along the all-round development of the rural economy.

Heilongjiang Increases Grain Production Capacity

OW1809075194 Beijing XINHUA in English 0724
GMT 18 Sep 94

[Text] Harbin, September 18 (XINHUA)—Northeast China's Heilongjiang Province has added 3.4 billion kg

of grain production capacity by developing its vast areas of wasteland and low-yielding arable land, an agriculture official said here today.

Since 1988 the province has improved 1.6 million ha of low-yielding land and reclaimed 210,000 ha of wasteland suitable for farming. Another 130,000 ha of grassland has also been improved, according to the official.

Official statistics show that this development has brought another 7.91 billion yuan in output value to the province. Meat production also jumped by 47.6 percent and fisheries production rose by 60.4 percent compared with the years prior to the extensive agricultural development.

According to the provincial agriculture department, the province has 5.3 million ha of low-yielding farmland and another 1.8 million ha of wasteland waiting to be improved and reclaimed, showing great potential for agricultural development.

Over the past six years the province has set aside two billion yuan to establish 306 smaller development zones in 63 counties and cities. The province has also poured another 30 million yuan into scientific and technological development projects associated with such development, which has spread new cultivation technology for rice, soybean and maize.

The development has also consolidated agricultural infrastructure facilities. Since 1988 over 60 reservoirs and 380 irrigation pumping stations have been built.

As a result, agricultural output value increased by 74 percent and per capita income by 91.7 percent in such development zones compared with the years before they were started.

Heilongjiang Imports Telephone Exchanges With Foreign Loans

SK1809043994 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 16 Sep 94

[Text] The province has decided to import 326,000-channel program-controlled local telephone exchanges and 23,000-terminal long distance telephone exchanges to strengthen the communications capacity of 22 cities and counties, including Qiqihar and Mudanjiang cities.

On 15 September, the provincial postal and telecommunications administration and the Heilongjiang Branch of the Bank of China formally signed the contract on transfer of loans.

Since 1991, Qiqihar, Mudanjiang, and 20 other cities and counties in the province have subsequently opened 250,000 channels of program-controlled telephone exchanges. However, these exchanges still cannot satisfy the demands of telephone subscribers. Thus far, many cities and counties have [words indistinct]. For this reason, the provincial postal and telecommunications administration has decided to use \$40 million in low-interest loans from Spain and \$15 million in low-interest loans from Hong Kong's (Huifeng) Bank to import equipment to accelerate the construction of the province's communications network. The newly-imported program-controlled telephone exchanges will be made available by the end of the next year.

Computers 'Widely Used' in Shenyang

OW1709134294 Beijing XINHUA in English 1301 GMT 17 Sep 94

[Text] Shenyang, September 17 (XINHUA)—Computers are widely used and have greatly improved the working efficiency in this capital city of northeast China's Liaoning Province.

Industrial design and production, commerce and trade, the service industries, tax offices and even police stations have all started to use computers.

Computers have helped the city develop dozens of new products in the fields of energy, electronics, mechanics and others. Thousands of old-fashioned machine tools have been updated.

A leading industrial center, Shenyang's traditional technology had blocked the entrance of new computerized technology, thus affecting its growth in recent years.

Local officials said nearly 100 sectors of the city have adopted computer systems to improve their work efficiency. The number of computer specialists has topped 40,000, accounting for eight percent of the nation's total.

Computer systems are effectively helping Shenyang shops, hotels, snack bars, public transportation systems, police stations and taxation bureaus.

New Envoy to U.S. on UN Membership, Relations
*OW1609222894 Taipei CNA in English 1352 GMT
16 Sep 94*

[By Y.C. Tsai]

[Text] Taipei, Sept. 16 (CNA)— Benjamin Lu, newly appointed Taiwan representative to the United States, said Friday that he believes the United States will someday change its position toward Taiwan's bid to join the United Nations.

Although the United States indicated its unwillingness to support Taiwan's UN bid in its recent Taiwan-policy review, it still might change its stance in step with the increasing support given to Taiwan by other countries, Lu pointed out.

Lu, who was sworn in earlier in the day, made the remarks while meeting with the local press at the Ministry of Foreign Affairs.

The government is not happy with the latest US policy toward Taiwan, which still bars Taiwan officials from contacts with the White House and the State Department and prohibits Taiwan's foreign affairs and defense ministers from visiting the United States, he noted.

In addition, he added, it is unclear whether US cabinet-level officials will be allowed to visit Taiwan.

The Representative Office needs to meet with American officials on these issues in order to let them know that the exchange of visits by ranking officials of the two countries would be mutually beneficial, he stressed.

He said the top priority for Taiwan is to strengthen ties with the United States, especially economic, cultural, agricultural, and scientific cooperation.

Noting that environmental protection has increasingly become a focus of attention of governments worldwide, he said that environment-friendly measures at home will also be key to Taiwan's relationship with the United States.

Lu said he has an optimistic view toward the US sale of defensive weapons to Taiwan, saying he will spare no effort to purchase more American arms to safeguard Taiwan's security.

Calling his appointment "a surprise," he pledged that he would do his best to uphold his duties. Lu, formerly Taipei's representative to Belgium, is scheduled to assume his post in the United States in late September.

Gives Priority to UN Bid

*OW1709081994 Taipei CNA in English 0658 GMT
17 Sep 94*

[By Benjamin Yeh]

[Text] Taipei, Sept. 17 (CNA)—The Republic of China [ROC]'s new representative to the United States said

Saturday [17 September] that he will strive to win the Clinton administration's support of Taiwan's bid to join the United Nations.

Speaking to members of the Legislative Yuan Friday, Benjamin Lu pledged to step up communications with the U.S. Congress and mass media in the hope of using public opinion to change the American Government's Taiwan policy.

Lu said he believes that as an increasing number of countries throw their support behind the UN bid, the Clinton administration will gradually alter its Taiwan policy.

Lu was responding to an inquiry by legislators who asked what measures he will take to change the policy. The State Department on Sept. 7 made clear that the U.S. does not support Taiwan's entry into the UN though it acknowledged Taiwan has a legitimate role to play in international organizations.

Twelve UN member countries in July made a proposal to the UN General Assembly, asking it to consider comprehensively the exceptional situation of the ROC on Taiwan.

Lu, formerly the ROC representative to Belgium, is scheduled to assume his post in the United States in late September.

In his report to the Legislative Yuan, Lu also promised to push for four other tasks: renaming Taiwan's representative office in the U.S., a U.S. visit by President Li Teng-hui, arms sales to Taiwan and lifting of U.S. trade sanctions against Taiwan for failure to protect wildlife.

Seeks Improved Ties

*OW1709114394 Taipei Voice of Free China in English
0200 GMT 17 Sep 94*

[Text] The newly appointed ROC [Republic of China] representative to Washington, Benjamin Lu, Thursday [15 September] pledged to seek to improve relations between Taiwan and Washington in his office.

Lu said he hopes to resolve the sanctions the United States has imposed on Taiwan under the Pell Amendment and change its unsupportive position toward Taiwan's bid to join the United Nations.

Other fields requiring immediate action include having the United States maintain its firm support for the ROC to participate in the GATT.

Efforts Continue To Seek Support for UN Bid

Information Director Leaves for U.S.

*OW1709085694 Taipei CNA in English 0806 GMT
17 Sep 94*

[By Sofia Wu]

[Text] Taipei, Sept. 17 (CNA)—Government Information Office Director-General Jason Hu left for the United States Saturday [17 September] to enlist international support for Taiwan's bid to join the United Nations.

During his eight-day visit, Hu will meet with American scholars and media professionals to brief them on Taiwan's stance on seeking representation in the UN.

Hu told a pre-departure news conference that it's time for the international community to "say yes to Taiwan," namely, to allow Taiwan a voice in international affairs.

"Say yes to Taiwan" is the title of a keynote speech Hu will deliver to a seminar to be sponsored by the New York-based Council for Foreign Relations (CFR).

Hu said the council has tremendous influence in the formulation of U.S. foreign policy. Hu will explain in his speech why the Republic of China [ROC] on Taiwan should be represented in the UN.

Dr. Harris Harding, a China expert with the Washington-based Brookings Institute, will also speak on issues related to Taiwan's UN bid at the CFR seminar, Hu said.

Hu will travel to five American cities—Boston, New York, Dallas, Houston and Los Angeles—to deliver speeches on Taiwan's UN bid and call at such major news organizations as THE NEW YORK TIMES, CNN (CABLE NEWS NETWORK), TIME magazine, NEWSWEEK, THE WALL STREET JOURNAL and THE NEW YORK DAILY NEWS to brief their staff on Beijing's new drive to block Taiwan's movement on the world stage.

On the eve of the opening of this year's UN General Assembly, Hu said, Mainland China has launched a new offensive to isolate Taiwan from the international society.

Hu said Beijing's embassies in various countries have issued press releases or sent letters to editors of major foreign news media expressing its strong opposition to Taiwan's entry to the UN.

Hu pointed out that the Chinese communists have never ruled Taiwan, adding Beijing therefore cannot represent Taiwan in the UN and its attempt to block Taiwan's UN entry aims to separate Taiwan from the world. "Such a move would only provoke Taiwan people's ill feeling toward the mainland and hinder eventual unification of China," Hu said.

He reported that since the ROC Government formally launched an international publicity drive for its UN bid last year, major world news media have published more than 1,200 articles supporting the ROC's cause. "We believe world support for our UN bid will continue to increase," he added.

Hu will make a three-day visit to Japan following his U.S. trip for similar publicity purposes. He is scheduled to return to Taipei on Sept. 26.

Committee Urges U.S. Support

OW1709085794 Taipei CNA in English 0744 GMT
17 Sep 94

[Text] Washington, Sept. 16 (CNA)—The head of a Taiwan delegation visiting the United States Friday [16 September] called on the U.S. Government to support efforts made by the Republic of China [ROC] on Taiwan to participate in the United Nations, pointing to the fact that the bid has already won considerable support from the U.S. Congress and media.

James Chu, head of the delegation of the nationwide action committee for UN membership, said during a panel discussion at the Heritage Foundation that the U.S. Senate has already adopted a resolution in support of Taipei's UN bid, and two similar bills are pending in the House of Representatives.

In March last year, Chu said, President Li Teng-hui expressed the hope in a speech to the National Assembly that Taipei's efforts to participate in the United Nations would raise international attention within five years.

In a period of only 18 months since he made the remarks, Chu went on, there have been more than 90 articles and editorials in support of Taipei's UN campaign carried by the U.S. media, including such prestigious papers as THE NEW YORK TIMES, THE WASHINGTON POST, THE LOS ANGELES TIMES, THE BALTIMORE SUN and THE BOSTON GLOBE.

Chu said that UN General Assembly Resolution 2758, which seated Beijing, did not resolve the issue of China's representation, and the voice of the 21 million people on Taiwan has never been heard in the United Nations and its affiliated organizations.

Noting that Taiwan has never been ruled by the communist regime in Beijing, Chu said that Beijing can neither represent nor be allowed to represent the people on Taiwan.

Excluding Taiwan from the United Nations, Chu said, violates both the principle of universality and the established practice of parallel representation for divided countries such as the former West and East Germany and North and South Korea.

Despite the lack of UN membership, Chu pointed out that Taipei has played an active role in the international arena through its official and unofficial bilateral ties, adding that it now has missions in more than 90 countries and provides technical assistance to more than 50 countries.

In addition, he said, it has set up a U.S.\$1.15 billion international development and cooperation fund to assist research and development programs in countries throughout the world. It also offers relief assistance to countries suffering natural and war disasters, including the United States.

Speaking on the same occasion, Parris Chang, a ROC legislator, expressed disappointment at the results of a policy review recently announced by Washington for failing to take into account the changes that have taken place on Taiwan as well as the world in the past 15 years.

Unlike Beijing which exports arms, Chang said, Taiwan exports capital. Taiwan plays a constructive and valued role in the international community and, therefore, should be admitted into the United Nations, he said.

Meanwhile, Fu Kuen-chen, a National Assemblyman, said that Taiwan's efforts to seek UN membership do not necessarily mean that it wants to become a separate state since there is still the goal of eventual reunification with Mainland China.

In the interim, however, he argued, the international community must recognize the reality of Taiwan's existence.

The delegation, which represents a wide spectrum of political opinion, arrived here earlier in the day for a two-day visit.

DPP Group Seeks UK Support

OW1709085594 Taipei CNA in English 0710 GMT
17 Sep 94

[By Nelson Chung and Y.C. Tsai]

[Text] London, Sept. 16 (CNA)—A delegation from Taiwan's major opposition Democratic Progressive Party (DPP) is seeking British support for Taiwan's bid to join the United Nations.

Six members of the delegation, led by legislator Huang Hsin-chieh, on Friday [16 September] discussed the Taiwan issue with international affairs experts and scholars at a seminar held at the International Institute of Strategic Studies.

They stressed at the seminar that Taiwan can fulfill every obligation as a UN member and its admission will benefit the world community.

Later in the day, the DPP delegation met with representatives of the ruling Conservative Party and the main opposition Labor Party.

Ms. Chang Fu-mei, a National Assemblywoman and also the delegation's deputy leader, quoted conservative parliamentarian Geoffrey Pattie as saying that the first Taiwanese mission to promote its UN membership coming from an opposition party rather than the ruling Kuomintang took him by surprise.

Representing the Labor Party at the meeting with the DPP delegation was Larry Waitty, party secretary-general, she said.

Eugene Chien, Taiwan's representative in Britain, entertained the 14-member DPP delegation at a dinner party.

Present at the party were Graham Elson, secretary-general of the Liberal Democratic Party, and Matthew Kidd, deputy director of the Far East department of Britain's Foreign Affairs Ministry.

The delegation, which earlier visited Iceland and Germany, was happy with the European trip to drum up support for Taiwan's UN membership, Ms. Chang said, noting that they exchanged views with the European Parliament and various political parties.

Although a number of political figures in Europe were not optimistic about Taiwan's UN bid at the moment, the delegation explained to them that the DPP wants first to call the international community's attention to Taiwan's exclusion from the United Nations and then seek UN membership, she pointed out.

She cited Mainland China's example as saying that the mainland replaced Taiwan at the UN Security Council in 1971 following more than 20 years of effort.

The DPP delegation is scheduled to return to Taipei Monday.

Li: KMT 'Determined To Pursue' Unification

OW1609223094 Taipei CNA in English 1346 GMT
16 Sep 94

[By Bear Li]

[Text] Taipei, Sept. 16 (CNA)—In his capacity as chairman of the Kuomintang [KMT], President Li Teng-hui on Friday [16 September] said that the ruling party is determined to pursue China's unification.

Li told a group of senior KMT members at a party workshop that the KMT can realize the goal of unification only if it has the support of the people and continues to be the ruling party.

He told the group not to be affected by the "groundless allegations" that the party is pursuing a policy of Taiwan independence. "The position of the KMT is very clear: to pursue national unification with strength. And the goal will never change," Li said.

Li also rebutted criticism of a "one-man or one-party"—referring to himself and the KMT—manipulation of the recent National Assembly session that amended the Constitution.

"More than a thousand elites contributed their wisdom and experience to the constitutional-amendment process, and I didn't get involved," Li said.

The National Assembly voted for key changes in Taiwan's political development, including allowing the direct election of the president and vice president.

Li also said that the government will continue its efforts to play a greater role in the international community.

"Strengthening of trade and economic relations with foreign countries would effectively help us achieve the goal," he added.

President Urges Separation of Politics, Sports

OW1709114294 Taipei Voice of Free China in English
0200 GMT 17 Sep 94

[Text] President Li Teng-hui said he regrets that his planned participation in the opening ceremony of the Asian Games has met political intervention. On Thursday [15 September], President Li received a delegation of U.S. media representatives.

He said: Many countries, including the United States, tend to confine themselves to the so-called "one China" policy in dealing with issues across the Taiwan Strait. They ignore the fact that the Republic of China [ROC] on Taiwan does exist.

Li said: Taiwan has been barred from many international organizations even though it has the ability to assist other countries in need of help. He said: This is both unfair and immoral.

Meanwhile, the Presidential Office on Thursday stated that it remains a fact that the president has accepted the Olympic Council of Asia's invitation to attend the Asian Games. Even if Li cannot make the trip for political reasons, the ROC will still stand by the principle of separating politics from sports.

President Li expressed hopes that the Hiroshima Asiad will proceed smoothly without any political intervention in extending his encouragement to Taiwan's athletes to perform well.

SEF Chairman on Asiad, Cross-Strait Relations

OW1609234894 Taipei China Broadcasting Corporation
News Network in Mandarin 2300 GMT 15 Sep 94

[From the "Hookup" program]

[Text] Ku Chen-fu, chairman of the board of the Strait Exchange Foundation [SEF], pointed out yesterday that President Li Teng-hui's inability to attend the Asian Games in Japan's Hiroshima will inevitably indirectly affect the development of cross-strait relations. He said: Japan is just the host country of the Asian Games but not the sponsor country of the games. However, President Li's invitation to attend the games has been politicized by the Chinese communists and Japan from the beginning. If it had not been politicized, there would be no problems at all. Here is a report by Yang Chin-hui:

[Begin recording] [Yang Chin-hui] With regard to President Li attending the Asian Games, Chairman Ku pointed out: Communist China's interference and obstruction will have an impact on the development of cross-strait relations. However, this impact will be an indirect one and will be reflected in the exchanges in all fields between the two sides of the strait. Chairman Ku

also said he could not understand why Japan has excessively politicized the matter since the beginning, because Japan is just the host country of the games but not the sponsor country. He said:

[Ku] Mainland China has always talked about cultural and economic exchanges. Right? Is this cultural exchange? Sports are a part of culture, so it should not interfere in it. It has politicized the matter since the beginning; otherwise, there would have been no problems at all. Right? Japan is the host country but not the sponsor country of the games; the sponsor is the OCA [Olympic Committee of Asia]. The matter has been politicized since the beginning; otherwise, there would have been no problems at all. Right?

[Yang Chin-hui] Chairman Ku repeatedly stressed: Communist China has continued to corner us in the international arena. The negative impact of this on the relations between the two sides will gradually become apparent. [end recording]

Group Leaves for Geneva To Discuss GATT Entry

OW1609115194 Taipei CNA in English 0759 GMT
16 Sep 94

[By Sofia Wu]

[Text] Taipei, Sept. 16 (CNA)—A Taiwan trade delegation headed by Vice Economic Affairs Minister Sheu Ke-sheng will leave for Geneva Saturday for a series of bilateral and multilateral trade talks on Taiwan's entry to the General Agreement on Tariffs and Trade (GATT).

From Sept. 19 through Sept. 30, Taiwan delegates will meet with their counterparts from Hungary, Uruguay, Colombia, the Czech Republic, Slovakia, Turkey, Argentina, the United States, European Union, Switzerland, Chile and Singapore to discuss terms of Taiwan's GATT accession.

It will be the first time for Taiwan negotiators to meet with trade officials from Uruguay, the Czech Republic and Slovakia for GATT-related trade consultations.

Although Taiwan and American officials have held several rounds of talks, they have not yet come to terms on a number of tariff and non-tariff trade issues.

As the US is very likely to draft the protocol on Taiwan's GATT entry, trade officials said they attach great importance to the forthcoming rounds of talks with American delegates.

The 12-member European Union is particularly concerned with Taiwan's timetable for opening its service industries and alcohol tariff rate issues.

Agriculture, aviation, alcohol and automobile trade issues, the "four A's," are the most difficult topics in GATT-related negotiations, the officials noted.

Taiwan hopes the upcoming Geneva talks will produce concrete results to help smooth Taiwan's way into the world trade regulatory body.

The GATT working party screening Taiwan's membership application is scheduled to meet again in October to review progress in Taiwan's negotiations with GATT members. If all goes well, the working party will then join with Taiwan officials to draft Taiwan's GATT entry protocol.

Taiwan will use "package legislation" to revise more than 30 of its domestic laws to help bring its trade regime into line with GATT terms and standards.

Taiwan applied to join GATT in 1990 and hopes to be admitted before the end of this year.

Advisory Committee Formed To Aid GATT Entry

OW1609222794 Taipei CNA in English 1304 GMT
16 Sep 94

[By Benjamin Yeh]

[Text] Taipei, Sept. 16 (CNA)—An advisory committee was established Friday [16 September] to act as a bridge between the Legislative Yuan, as it considers enacting laws so that Taiwan will fall in line with the General Agreement on Tariffs and Trade, and the private sector.

"The Legislative Yuan should serve as the last line of defense for local industries to make sure that GATT membership will not bring unbearable damage to local business lines," a statement issued by Kuomintang Legislator Lin Ming-i and Democratic Progressive Party Legislator Ke Chien-ming, the co-founders of the committee, said.

Taiwan applied for membership to the Geneva-based world trade regulatory body in 1990 and hopes to be allowed in before GATT is restructured into the World Trade Organization at the beginning of next year.

The committee will be divided into three subcommittees: industry, agriculture and service. It will hold its first meeting before the month's end, and will meet fortnightly.

Taipei To Take Part in European Nuclear Display

OW1709090794 Taipei CNA in English 0757 GMT
17 Sep 94

[By Y.C. Tsai]

[Text] Taipei, Sept. 17 (CNA)—Taiwan will attend the 1994 European Nuclear Conference (ENC) and accompanying exhibition scheduled for Oct. 3-6 in Lyons, France, Atomic Energy Council (AEC) Chairman Hsu Yi-yun said Saturday [17 September].

Hsu said at a news conference that the AEC, Taiwan Power Company and the Institute of Nuclear Energy

Research will jointly attend the annual international nuclear meeting and the nuclear exhibition, which is held every four years.

More than 400 representatives from the government and the nuclear industry across the world are expected to showcase their achievements at the exhibition, which has "atoms for energy" as its theme, he pointed out.

This is the first time for Taiwan to attend the nuclear exhibition, which was inaugurated in Paris in 1975, he said. The 1994 show is sponsored by the European Nuclear Society, American Nuclear Society and European Nuclear Forum.

Taiwan's booth will stress nuclear energy, nuclear safety control, nuclear waste disposal, the fourth nuclear power plant and international cooperation, he said.

Taipei 'On the Brink' of Ties With Sierra Leone

OW1609120794 Taipei CNA in English 0703 GMT
16 Sep 94

[By Sofia Wu]

[Text] Taipei, Sept. 16 (CNA)—The Republic of China [ROC] is "on the brink" of establishing diplomatic relations with the west African country of Sierra Leone, the UNITED DAILY NEWS reported Friday [16 September].

The paper quoted unnamed government sources as saying that the ROC has come to terms with Sierra Leone on the establishment of diplomatic ties. When the time is ripe, the sources said, the two countries will make an official announcement of the ties.

The sources further said the ROC Government does not rule out the possibility of announcing the establishment of formal ties with Sierra Leone later this month when the United Nations General Assembly convenes. The timing of the announcement is expected to help boost Taiwan's bid for membership in the UN, the sources said.

Foreign Ministry officials, however, declined to confirm the report, saying that premature exposure of such news is not good for the national interest.

The mass-circulation newspaper said Sierra Leone had sent high-ranking officials to Taiwan to discuss terms for the diplomatic ties, and ROC officials also visited the west African country last month to discuss some technical details.

Sierra Leone first established diplomatic relations with the ROC in 1963, but switched recognition to Beijing in 1971. The paper said Sierra Leone-Mainland China ties are now at a low ebb because Beijing has supported anti-government forces in the English-speaking African country.

Covering an area of 72,000 square kilometers, Sierra Leone has a population of about 4 million. The political

situation is generally stable and its per capita gross national product (GNP) is about US\$240. Sierre Leone joined the UN shortly after it became an independent country in 1961. It is also a member of the British Commonwealth of Nations.

In the past few years, the paper said, the ROC has given up opportunities to forge diplomatic ties with several African countries in order to foster rapprochement across the Taiwan Strait.

Taiwan currently maintains formal ties with only 29 countries, mostly in Latin America and Africa. The limited number is seen as a hindrance to Taiwan's UN bid. The paper said as Beijing has never ceased its effort to block Taiwan's movement on the world stage and has made no response to Taiwan's call for cross-strait rapprochement, the ROC Government has decided to more actively develop formal diplomatic ties with other countries.

Plane Mistakenly Shot Down During Exercise

*OW1709145694 Taipei CNA in English 1350 GMT
17 Sep 94*

[By Lilian Wu]

[Text] Taipei, Sept. 17 (CNA)— A [word indistinct] plane towing a drone plane for naval target practice was accidentally shot down over eastern Taiwan on Saturday [17 September], with the four men who were operating the plane reported as missing.

The lead plane, taking part in military exercises dubbed "Hangkuang No. 11" near Chihpeng, Taitung County, was shot down around 2 p.m. It had been leased from the Private Golden Eagle Airlines, and was supposed to have remained in the skies from 1:25 p.m. to 3:30 p.m., according to the scenario of the exercise.

Go Den Eagle Airlines has an agreement with the Navy under which it provides towing and drone planes for naval target practice several times a year.

The accident was witnessed by the ground staff of Golden Eagle, the Civil Aviation Administration said.

Naval Headquarters said rescue operations were continuing for the four men and that an investigation into the incident was under way.

Air traffic controllers lost contact with the lead plane after it was hit by an anti-aircraft missile, and both planes then disappeared from the radar screen, Navy Headquarters said.

Economy Estimated To Grow 6.2 Percent in 1995

*OW1909093194 Taipei CNA in English 0751 GMT
19 Sep 94*

[By Debbie Kuo]

[Text] Taipei, Sept. 19 (CNA)—Taiwan's economy will continue to expand next year, with Gross Domestic Product (GDP) growing 6.2 percent and export trade advancing 6.67 percent, according to a forecast made by the Council for Economic Planning and Development (CEPD).

The CEPD said increasing output of capital-intensive industries and sustained expansion of private investment in plant and machinery facilities will be two major forces fueling Taiwan's economy in the following year.

It is estimated that private investment will hit 14.1 percent in 1995, compared with a negative growth in government investment, the CEPD said.

The CEPD put 1995 economic growth at 6.2 percent, the same level as in 1994, mainly because government expenditures will be reined in and budgets for 12 national development plans will be cut.

The council quoted the Directorate General of Budget, Accounting and Statistics (DGBAS) as predicting that Taiwan's export trade will grow 6.67 percent while imports will increase 6.05 percent in 1995.

Government investment, however, will slow to a seven-year low of 11.1 percent in 1995 as a result of various development plans draining the national coffers.

In 1996 and 1997, government investment is estimated to drop to below 8 percent, the CEPD said.

Thanks to sustained private investment in industries as well as public construction projects, Taiwan will be capable of maintaining healthy economic growth averaging 6 percent in the following years, the CEPD said.

Taipei Offers Highest Wages Among Asian 'Dragons'

*OW1709090994 Taipei CNA in English 0748 GMT
17 Sep 94*

[By Debbie Kuo]

[Text] Taipei, Sept. 17 (CNA)—Taipei workers are offered the highest wages and second best working conditions among the four "Asian little dragons," the Council for Economic Planning and Development (CEPD) said Saturday [17 September].

CEPD quoted a survey by the Union Bank of Switzerland as saying that Taipei's work conditions, including average working time and annual leave, fall behind Singapore but are better than Seoul and Hong Kong.

The Union Bank survey of 12 manufacturing industries in the four Asian economies found that Seoul workers toil the longest, working an average of 2,300 hours a year with only eight paid holidays.

In comparison, Taipei laborers work 2,140 hours each year, less than workers in Seoul, Bangkok and Hong

Kong. The work day, however, is longer in Taipei than in Singapore, Bombay, Tokyo or Jarkata.

Taipei workers enjoy an average 16 paid days off each year, ranking third behind Bombay and Singapore, the survey showed.

Quoting another survey by the South Korean ECONOMIC DAILY, CEPD said that Taiwan, although posting a lower per capita income, offers the top monthly wage of U.S.\$1,047, compared with South Korea's U.S.\$987, Singapore's U.S.\$747 and Hong Kong's U.S.\$522.

International Drug Trafficking Ring Busted

*OW1609115394 Taipei CNA in English 0746 GMT
16 Sep 94*

[By Sofia Wu]

[Text] Taipei, Sept. 16 (CNA)—The Ministry of Justice Investigation Bureau (MJIB) Friday [16 September] announced the breaking of an international drug trafficking ring on Thursday involving people from Taiwan, Hong Kong and Singapore.

MJIB agents seized 7.5 kilograms of high-grade heroin and arrested six suspects when they busted the criminal ring in Taipei Thursday.

The confiscated heroin, packed into 25 biscuit-shaped bricks, was worth an estimated NT [new Taiwan]\$400 million (US\$15.15 million), the agents said.

Among the principal suspects was Chen Lung-chieh, a Hong Kong fugitive who has been wanted by Hong Kong police since 1990, the MJIB agents said.

Chen was caught red-handed while making a deal with Thung Ting-ping, a Singaporean drug trafficker, in Taipei Thursday. The agents seized eight heroin bricks and NT\$900,000 in cash. They later confiscated 17 additional heroin bricks at the hotel room where Hung was staying.

Hung was accused of smuggling the drugs from Southeast Asia for sale in Taiwan.

The agents said Chen maintained close links with Hong Kong-based international drug trafficking rings. Using a fake identification card, Chen also cooperated with local drug dealers to develop an islandwide drug distribution network since he sneaked into Taiwan in 1990.

Also arrested were local drug wholesalers Chen Tchen-chien and Chou Chih-ming as well as two retailers Chen Ching-chiang and Li Tsao-wen.

The agents will continue investigation into the case.

CNA Signs Exchange Agreement With Thai Paper

*OW1709063494 Taipei CNA in English 1253 GMT
16 Sep 94*

[By F.C. Kuo and T.C. Tsai]

[Text] Bangkok, Sept. 16 (CNA)—The Taipei-based Central News Agency, Inc. (CNA) on Friday [16 September] entered into a news-exchange agreement with Bangkok's English daily THE NATION, marking the first cooperative press ties between Taiwan and Thailand.

CNA vice president and concurrent editor-in-chief David Ting and THE NATION's editor-in-chief, Thepchai Yong [name as received], signed the agreement on behalf of the two sides.

Under the accord, the organizations will exchange spot news, features and news photos.

Speaking at the signing ceremony, Taiwan's representative in Thailand Stephan C.W. Hsu said the agreement will not only promote mutual understanding but also strengthen substantive ties between the two countries.

During the ceremony, Ting gave Thepchai three CNA-issued English-language feature stories and color photos of Taiwan Government leaders, and received feature stories written for THE NATION and photos of Thai Government leaders in return.

Ting arrived in Bangkok on Thursday for a six-day visit at the invitation of THE NATION.

During his stay here, he will also meet with editors-in-chief of major Chinese newspapers in Thailand to discuss the service CNA is providing those papers.

Hong Kong

Further Reportage on UK Foreign Secretary Visit

Meeting With PRC Negotiators 'Failure'

HK1709073794 Hong Kong EASTERN EXPRESS in English 17-18 Sep 94 p 1

[By Rain Ren and Shiny Li]

[Text] An unprecedented meeting between the British Foreign Secretary, Douglas Hurd, and senior Chinese negotiators over crucial 1997 issues yesterday was a failure. Informed sources said Hurd—who earlier spoke of the possibilities of “an imperfect transition”—neither raised contentious issues such as the bitter row over the ninth container terminal (CT9), nor offered any suggestions on how other deadlocks might be resolved.

Some senior government officials last night voiced surprise that Hurd had not broached the row over CT9, which is threatening to further sour relations and hinder co-operation on unresolved transitional issues. The meeting had been flagged privately by the Government as a pivotal ground-breaker for next week's resumption of Sino-British Joint Liaison Group negotiations in Beijing, and Hurd's discussions with his Chinese counterpart, Qian Qichen, in New York later this month.

Earlier, Hurd was accused by Hong Kong legislators of not taking Hong Kong's transitional problems seriously. The outspoken independent legislator Emily Lau said she had reminded the Foreign Secretary of remarks he had made about not wanting the final chapter of the British empire to end “in a shabby way”.

“I said, if you abandon several million citizens, it's bound to end in a shabby and horrific way. As the Foreign Secretary, what can you do for us? And the answer was nothing.

“The impression he gave me was that he did not really care that much and felt that he was not able to do very much either.”

Allen Lee, the leader of the Liberal Party, said Hurd had conceded that there was a danger of an imperfect transition if significant differences with China were not resolved.

Hurd's failure to raise important issues during his meeting with the senior Chinese representatives puzzled government officials. It is believed that the officials had urged Hurd to raise the CT9 issue in the face of an ultimatum by China that it would not approve construction unless the British hong Jardines withdrew from the consortium which will develop and operate the terminal. China has accused Britain of awarding the CT9 franchise to Jardines for supporting the political reform package of the Governor, Chris Patten.

The Foreign Secretary had altered a tight schedule to accommodate the meeting, which was attended by the

Chinese JLG leader, Guo Fengmin, his deputy, Chen Zuor, and a negotiator, Liu Junbao. The British JLG leader Hugh Davies, his deputy, Alan Paul, and the Secretary for Constitutional Affairs, Nicholas Ng, were also present.

The meeting began with the Foreign Secretary expressing his appreciation that the negotiators of both countries had worked hard to achieve progress in the JLG. But he told the Chinese negotiators that there were many issues which still needed to be resolved quickly given the limited time left before the 1997 handover. Hurd then urged the Sino British negotiators to accelerate work within the JLG and mentioned his forthcoming meeting with Qian in New York.

Chinese officials later privately described Hurd remarks as “empty talk.” Guo responded to Hurd statements, by agreeing that the JLG's work needed to be speeded up. Chinese officials said the negotiators then exchanged further “empty talk” with Hurd, and that much of the meeting had been taken up with translations. There was no discussion of particular issues or ways to facilitate progress on matters which Hurd has described publicly as “technical, not political”.

The Chinese negotiator had been told the meeting with Hurd would be “informal” and regarded it as “more gesture than substantiality”. “It met our expectations,” a Chinese official said. “They (British officials) told us ahead of the meeting that it would be an informal meeting and that no specific issue would be discussed.”

Earlier, Hurd had met legislators in an hour-long closed session which was at times marred by heated accusations. He emerged from the meeting citing “inevitable differences” with legislators, saying there had been “a little rhetoric from time to time”.

Legislators briefly put aside factional differences to condemn Hurd for not taking the territory's transitional problems seriously. “I'm not satisfied, but never expected much would come out of this meeting,” Martin Lee, the leader of the United Democrats, said. Lee said Hurd “did not give us any satisfactory solution to our many concerns”.

Legislators Express 'Disappointment'

HK1709063094 Hong Kong SOUTH CHINA MORNING POST in English 17 Sep 94 p 4

[By So Lai-fun]

[Text] Legislators yesterday expressed disappointment with Foreign Secretary Douglas Hurd's lack of any substantial message on the progress of the Joint Liaison Group [JLG]. After a 45-minute meeting with legislators, Mr Hurd said he had emphasised to the lawmakers his desire to unblock the work of the JLG.

(We should) take politics out of some of these very practical and even technical and legal discussions, so

that the work of the JLG can proceed. "When the time for the transfer of sovereignty comes, there would be no weaknesses, no gaps in the legal framework."

But Liberal Party chairman Allen Lee Peng-fei quoted Mr Hurd as saying that there would be "imperfect transition" if the JLG's work could not proceed quickly. He said it was the first time he heard of such remarks from British officials and he sensed that there was a change of attitude from the British side. "They have always stressed smooth transition of the sovereignty issue. But now the British are probably resigned to the fact that they might not finish the job even in the next 2-1/2 years with China. That's highly disappointing."

Emily Lau Wai-hing said she was extremely dissatisfied about the lack of any substantial answers from the Foreign Secretary. He could tell them nothing about the progress of the JLG, which only showed Britain was unable and unwilling to achieve a smooth transition, she said. The only way to ease the worry was to grant full British passports to the 3.4 million holders of British Dependent Territory Citizens passports, she said.

United Democrat Martin Lee Chu-ming argued that a human rights commission was essential for Hong Kong, because China had no obligation to report to the United Nations on the territory's human rights. He rejected Mr Hurd's view that the enactment of equal opportunities legislation was sufficient. An effective enforcement body was as important as legislation, he said.

United Democrat Dr Huang Chen-ya said Mr Hurd had promised to give a full report on what Britain had been doing to help jailed Ming Pao reporter Xi Yang.

Dissident Lau Shanching yesterday handed an open letter to Mr Hurd, urging the intervention of the British Government to force the Hong Kong Government to retry his case. The Appeal Court dismissed a judiciary review lodged by Mr Lau last week because existing law permits an election petition after the poll as the only legitimate way to appeal.

XINHUA Chinese Commentary

HK1909025794 Beijing XINHUA Hong Kong Service in Chinese 0000 GMT 17 Sep 94

[Commentary by Li Zhigao (2621 1807 7559): "A Visit Without Any Fresh Ideas"]

[Text] Hong Kong, 16 Sep (XINHUA)—British Foreign Secretary Douglas Hurd's recently concluded visit to Hong Kong was disappointing for Hong Kong people. Apart from his reiteration of the phrase "shared interests," Hurd did not make any promises to improve Sino-British relations.

The moment he arrived at Hong Kong's Kai Tak Airport, Hurd was asked what he had to give Chinese Foreign Minister Qian Qichen when they meet at the UN General Assembly at the end of this month. Hurd said:

"This is not a question of what to give; this is a question of the shared interests of Britain, Hong Kong, and China."

The foreign secretary repeatedly used the phrase "shared interests" during his two-day visit. At a press conference held shortly before he departed, a Hong Kong reporter asked him: "Your Excellency, since you arrived in Hong Kong you have been using the phrase "shared interests," but you have also said Britain does not have anything new to offer China with which to break the current deadlock in relations between the two countries. What makes you think that a catch-phrase can break the deadlock? Should the British Government not produce something new?" Some reporters at the conference exchanged looks and smiled knowingly.

The foreign secretary, after an embarrassing pause, said: "This is not a question of whether we or China should make concessions. It is not just a phrase; it is reality; it is the core of the Sino- British Joint Declaration."

However, people here have noticed that during his visit, Hurd tried hard to avoid noting his support for Hong Kong Governor Chris Patten's constitutional reform package. This package obviously violates the Sino-British Joint Declaration, the Basic Law, and the understandings and accords reached between China and Britain.

Douglas Hurd's latest visit to Hong Kong was made on the eve of his meeting with the Chinese foreign minister at the UN General Assembly session and the reopening of the Sino-British Joint Liaison Group talks scheduled for next week in Beijing, and people expected much from his visit. However, the impression made by Douglas Hurd was that Britain does not intend to take steps to improve Sino- British relations.

When asked by a reporter about any substantive progress to be expected from his meeting with Foreign Minister Qian Qichen, Hurd replied: "I do not know. I do not know the answer to that question."

XINHUA English Roundup

OW1609131794 Beijing XINHUA in English 1257 GMT 16 Sep 94

["Roundup" by Li Zhigao: "British Foreign Secretary's HK Visit Disappointing"]

[Text] Hong Kong, September 16 (XINHUA)—British Foreign Secretary Douglas Hurd rounded up his two-day visit here today, disappointing observers by offering nothing to improve Sino-British relations more than his catch phrase of "shared interest".

Upon his arrival at the Kai Tak Airport Thursday [15 September], the foreign secretary, when asked what he can offer to the Chinese side when he meets Chinese Foreign Minister Qian Qichen in New York later this month, replied that "it's not a matter of offering him

something, it's a matter of what is the shared interest of Britain and Hong Kong and China."

The foreign secretary repeated the "shared interest" phrase for so many times during his short stay here that today a reporter's question about his catch phrase touched off a peel of laughter and caught the usually glib British off speech for a while at a press conference this afternoon before his departure for Tokyo.

A local TV reporter queried, "Foreign Secretary, since you've been here you've used this new catch phrase, shared interest, but you've also said that the British have nothing new to offer the Chinese to break the stalemate. Why do you think the Chinese should be prepared to break this deadlock just because we have a catch phrase, shared interest? Surely the British government must offer something new?"

After some pause, Hurd replied, "this's not a question of where we make concessions or indeed the Chinese make concessions. It's not that kind of problem. It's not a catch phrase, it's a reality. It lays at the heart of the joint declaration."

However, observers here noticed that Hurd is shrewd enough to avoid mentioning his support to the political bill put forward by HK [Hong Kong] Governor Chris Patten, which apparently goes against the Sino-British Joint Declaration, the basic law of the future Hong Kong Special Administrative Region and agreements and understandings already reached between the two countries.

The British foreign secretary took time out today for a tour of Sha Tin, an estate in the New Territory, to encourage the "high enthusiasm" as he described for the elections of the district boards, which is based on Patten's political bill.

Hurd's visit preceded not only his meeting with Chinese Vice-Premier and Foreign Minister Qian Qichen in New York later this month, but also the resumption of Sino-British Joint Liaison Group negotiations in Beijing next week.

Unfortunately, observers had the impression of his Hong Kong visit that the British side will not offer anything new to improve the Sino-British relationship and just wait for the Chinese side to take the initiative in this regard.

Asked if he can expect any substantial outcome from his meeting with Qian, Hurd said: "I don't know. I don't know the answer to that question."

During his stay here, Hurd met with Governor Chris Patten, members of the Executive Council and Legislative Council and local business community, as well as representatives of both sides of the Sino-British Joint Liaison Group. He also visited the new airport site at Chek Lap Kok.

UK Offers Advance Copy of Patten Policy Address

HK1909034894 Hong Kong *EASTERN EXPRESS* in English 19 Sep 94 p 1

[By Shiny Li]

[Text] Britain has offered China an unprecedented advance briefing on the policy address to be delivered by the Governor, Chris Patten, next month.

The British Foreign Secretary, Douglas Hurd, will brief China's Foreign Minister, Qian Qichen, on Patten's policy statement in New York this month—as much as two weeks before the people of Hong Kong will be told of its contents.

It is the first time Britain has offered China an advance briefing of a policy address since Patten became the Governor in 1992. Britain's past refusal to give China advance briefings of policy addresses incensed mainland officials and exacerbated tensions between the two countries.

The conciliatory move is seen as a bid to thaw relations and accelerate progress on key transitional issues deadlocked by a political row before the resumption of crucial negotiations by the Sino-British Joint Liaison Group [JLG] in Beijing this week.

China was not given any advance warning of Patten's first policy address in 1992 when he announced his dramatic political reform agenda. Last year, the local branch of the New China News Agency (Xinhua) was only given a copy of the policy address as Patten delivered it in the legislature.

The decision to inform China about the contents of Patten's policy address was relayed to Beijing yesterday by China's most senior negotiator on transitional issues, Guo Fengmin, who left Hong Kong after Hurd's visit.

This year's policy speech is expected to address comprehensively Britain's relations with China over Hong Kong in the final transitional years. In a conciliatory tone, it will emphasise Britain's desire to soothe strained relations, put aside the political row, and tackle the many outstanding issues which, if unresolved, will hinder a smooth transition.

The tone will be in marked contrast to the last policy address in which Patten warned of Britain's obligations to implement unilateral constitutional reform if agreement with China was not reached soon. Patten had urged the people of Hong Kong, and in particular legislators, to "stand up" to China to protect their freedoms and the rule of law after 1997.

Qian has agreed to an unusually long meeting with Hurd this month at a date still to be confirmed when the two meet on the sidelines of the United Nations general assembly in New York. The longer meeting will give

Hurd the opportunity to brief Qian in detail on the content of Patten's policy address to be delivered on October 5.

The Foreign Secretary last week took the unprecedented step of meeting senior Chinese JLG negotiators in Hong Kong. But Chinese officials later privately ridiculed remarks Hurd made during the meeting, accusing him of "empty talk" on Britain's commitment to repairing Sino-British cooperation.

While Hurd did not elaborate on the content of his discussions with Guo, it is known that he did not raise any of the contentious issues which Sino-British negotiators must tackle this week.

It is believed senior Hong Kong officials had, in fact, urged Hurd to raise the deadlock over the ninth container terminal (CT9) in a bid to pave the way for progress in the JLG negotiations.

The British and Hong Kong Governments have become increasingly anxious that crucial transitional issues will not be resolved by 1997, resulting in what Hurd told legislators last week would be "an imperfect transition".

In a meeting with executive councillors on Friday, Hurd was briefed by Patten on the content of his address. Policy statements on some key issues such as the old-age pension scheme will not be made because, as in this case, a decision cannot be made until after the consultation period and after discussion with China.

Address Said 'Shortest Ever'

HK1809072894 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 18 Sep 94 pp 1, 2

[By Danny Gittings and Queenie Wang]

[Text] Governor Chris Patten will deliver his shortest-ever policy speech next month as the annual address undergoes a radical revamp, allowing him to take a back-seat and push his local officials to the fore. But the October 5 speech will still mark the start of a fresh spending spree, with up to \$9 billion earmarked for new projects. It is also expected to see Mr Patten look to the future by pledging to work with the Beijing-appointed Preparatory Committee, which is to be the successor to the Preliminary Working Committee (PWC).

He is also under pressure from the Foreign Office to use his speech to lift the ban on civil service contacts with the PWC, although the Governor has yet to agree to do so. The revamp will see 18 top officials unveil 22 mini-policy addresses covering all areas of government work simultaneously with Mr Patten's. These are designed to force all major departments to set out specific targets for the coming year as formal "policy commitments" and so make them more accountable to the public.

All 14 policy secretaries will be involved as well as the judiciary, the Independent Commission Against Corruption, Attorney-General Jeremy Mathews, and Director of Administration Richard Hoare. Some will present more than one, to cover multiple areas of responsibility. This will allow the Governor to slim down his speech, which has taken more than two hours to deliver in previous years, and instead focus on a smaller number of major themes.

High on the list will be restoring relations with Beijing. Mr Patten will set out his willingness to work with the Preparatory Committee and future chief executive, to be chosen in 1996, by allowing senior government officials to deal directly with them.

Foreign Secretary Douglas Hurd last week hinted Mr Patten would also use his speech to address whether to continue the ban on formal civil service contacts with the PWC.

British diplomats have privately suggested in recent months the ban might be lifted in return for faster progress in the Joint Liaison Group. But Government House spokesman Mike Hanson yesterday denied this was on the cards. "There is no question of a change of tack with the PWC," he said.

Mr Patten is also expected to unveil major new spending plans including funds to clean up the New Territories, as well as more money for the elderly in an apparent attempt to boost support for the old-age pensions scheme.

Only \$1 billion is available for new recurrent spending initiatives in the coming year, with another \$4 billion in fresh funds ear-marked to cover previous commitments. Up to \$8 billion is available for extra capital expenditure on one-off projects. Part of this will go on a \$1.9 billion campaign to clean up New Territories black-spots where open storage of containers poses an environmental hazard.

A special taskforce has been set up to tackle the problem and will need its first major injection of funds in the next few months. There will also be major new initiatives to help the elderly, although mostly on the capital rather than recurrent side.

The Government has accepted the recommendations of a special working party and delayed publishing its report until after this has been announced in the policy address. But working party member Professor Nelson Chow Wing-sun warned people not to expect too much: "These recommendations are far too modest and I don't think they can solve the problems faced by most elderly people."

Last District Board Elections Under UK Rule Held*OW1809170394 Beijing XINHUA in English 1648 GMT 18 Sep 94*

[Text] Hong Kong, September 18 (XINHUA)—Hong Kong's last district board (DB) election under the British rule was held here today.

A total of 693,283 voters, or 33.1 percent of the 2,093,603 electors, turned out to cast votes at 372 polling stations in 18 districts from 7:30 am [2230 GMT] to 10:30 pm.

A total of 757 candidates contested the 346 seats in Hong Kong's 18 district boards, the lowest of the three-tier political structure, which advise the British Hong Kong Government on such affairs as culture, recreation and environmental sanitation.

Fifty of the seats, with only one candidate entered in each constituency, were uncontested.

The district board election was held according to Governor Chris Patten's political bill which lowered the voting age from 21 to 18 and scrapped appointed seats on the boards and empowered the boards to elect ten or one sixth onto the Legislative Council.

China has made it clear Patten's political bill goes against the Sino-British joint declaration, the basic law of the future Hong Kong Special Administrative Region and agreements and understandings reached between the two countries.

The Standing Committee of the National People's Congress, China's legislature, adopted a decision last month that the newly-elected district boards along with two municipal councils and the Legislative Council to be formed next year under the same Patten bill, will be disbanded with the end of the British rule in Hong Kong in mid-1997.

Turnout of 33 Percent Reported*HK1909030494 Hong Kong SOUTH CHINA MORNING POST in English 19 Sep 94 pp 1, 8*

[By the Political Desk]

[Text] A record 693,223 people yesterday took part in the district board elections—the first of three tiers of government that Governor Chris Patten invoked and which China will tear down in 1997. The turnout was 33.1 per cent of the 2.09 million registered voters to choose 296 from 707 candidates in contested seats. Fifty members were elected unopposed. The numbers actually casting their ballot represented a 63.5 per cent increase over the 423,923 in 1991.

The turnout rate was six-tenths of a percentage point higher than that of 1991 which was 32.5 per cent.

The first winner declared was independent Dr Chan Chi-kuen in City Garden North Point, one of 24 seats where results were announced by 1.30 am. These included Leung Kwong-cheong, a vice-chairman of the Association for Democracy and People's Livelihood and Kwai Tsing District Board chairman. He scored 1,169 votes to win the seat in Kwai Tsing East Estate.

Other early winners were independents Wong Kin-wing of Shui Pin in Yuen Long, Lam Kin-pui in Kwun Tong Centre; Ip Cho-yin in Discovery Bay, and Felix Chan Kin-ho in the Bays Area.

Mr Patten, his senior aides, and the independent election watchdog were satisfied with the turnout rate for the fifth and final district board poll under British rule. An elated Mr Patten described the rate as "excellent" but would not say whether the 33.1 per cent could prove his political reform had been a success. "What today reflects is that Hong Kong is a grown up community." He said one should focus on the actual increase in the number of voters.

On the race between independents and party-supported candidates, Mr Patten said independents might stand a better chance of winning in the district board election, which had smaller electorates.

Boundary and Election Commission chairman Mr Justice Woo said he believed the "elections are quite open, fair, and honest." "There were complaints but as far as the general principle of ensuring that the elections are run openly, fairly, and honestly, I don't see any hiccup at all," he said.

Secretary for Constitutional Affairs Nicholas Ng Wing-fui said the encouraging turnout should dispel fears about the controversy surrounding the fate of the three-tier structure after 1997. "It's most important that people should seize the present opportunity and actively participate," he said.

However, major party leaders and academics said the contest was fierce but were disappointed with the low turnout rate.

Liberal Party chief Allen Lee Peng-fei said he was disappointed because he believed his party would have won more seats if more of the 2.09 million eligible voters had turned out. He said the Liberal Party had already succeeded in shedding suggestions of a pro-China leaning but the degree of public recognition would hinge on how many candidates were elected first up.

Meeting Point chairman Anthony Cheung Bing-leung attributed the low turnout to an impression that the district boards were useless. The pro-China Democratic Alliance for the Betterment of Hong Kong head Tsang Yok-sing said the absolute number of voters was higher than that of 1991 adding it did not matter whether the rate was high or low.

City Polytechnic social science lecturer Dr Kam Ping-kwong said the low turnout was expected. One of the reasons, according to him, was that the government had done little to motivate the voting desire of the public after its successful attempts to boost the number of eligible voters.

Dr Kam said the smaller constituencies and the lack of competition in most districts also contributed to the low turnout.

The 15-hour balloting at the territory's 372 polling stations was largely uneventful in spite of more than 370 complaints received on petty issues such as the location of election posters and unfair treatment of candidates. Earlier in the day, senior officials, including Chief Secretary Anson Chan Fang On-sang and Senior Executive Councillor Lady Dunn called on the public to vote as a show of support for democracy.

Pro-China forces were well mobilised in their traditional power-bases of Eastern, Kwun Tong, and Wong Tai Sin.

In an editorial entitled: "Cast a Vote for Those Who Love China and Love Hong Kong," the left-wing mouthpiece WEN WEI PO said active participation in the election and support for the Patten proposal were two different matters.

Final Results Favor Democrats

HK1909050394 Hong Kong Commercial Radio in Cantonese 0330 GMT 19 Sep 94

[Text] [Announcer Yuan Shau-ping] The final results of the new District Board elections were not announced until approximately 1100. The pro-democracy faction has the upper hand, whereas the pro-PRC Democratic Alliance for the Betterment of Hong Kong [DAB] has achieved what was expected. However, the performance of the Liberal Party has not been as good as expected, and its chairman Allen Lee Peng-fei has expressed his disappointment. Lo Fai, who is now at the City Hall election press center, has the details on the election results.

[Lo] Thank you Yuan Shau-ping. The final results of the District Board elections have been released, and the entire election has the strong flavor of a party contest. Among the 296 seats which must be decided by a vote, 203 seats have been won by candidates with a party background, whereas less than one-third of the independents and local figures who do not have a distinct party background have been elected.

Among the parties, the pro-democracy camp has the upper hand in terms of the number of seats, having won 113, whereas the pro-PRC parties and associated groups have only taken 76 seats. Among the pro-democracy camp, the Democratic Party, which has fielded the largest number of candidates, has won a total of 72 seats, accounting for 54 percent of its candidates. As for the

Association for Democracy and the People's Livelihood, 27 of its 40 candidates have won seats, and its rate of success has hit 67 percent.

As far as the pro-PRC camp is concerned, 33 of the 83 candidates fielded by the DAB, which has launched the most vigorous campaign in this election, have been elected, accounting for 40 percent of the total number of its candidates. The Liberal Party, which, like DAB, is participating in a popular election for the first time, has entered 89 candidates in this election, but only 13 candidates, or 15 percent, have been elected. Among the 42 constituencies in which the Democratic Party and the DAB have fought a direct contest, the former has won 24 seats, while the latter has won 17 seats. Fifty-eight of the candidates who are Special Administrative Regional affairs advisers and Hong Kong affairs advisers have been elected.

Judge Wu Kwok-hing, chairman of the Boundary and Elections Commission, will come here to the press center later to hold a news conference on the elections, and I will report to you shortly after receiving the latest news.

[Yuan] Thank you, Lo Fai.

Editorial Supports Patriotic Candidates

HK1809080594 Hong Kong WEN WEI PO in Chinese 18 Sep 94 p a2

[Editorial: "Vote for Those Who Love the Motherland and Hong Kong"]

[Text] Today is voting day for district board elections. People believe that people who love the motherland and Hong Kong, endorse and support the Basic Law, and sincerely perform services for the people of Hong Kong will be reinstated as district board members.

Actively participating in the elections and identifying with Chris Patten's package are two different matters. Voters are exercising their rights when they actively participate in the elections. The returning through election of a group of motherland- and Hong Kong-loving people as district board members will help to a certain extent stop Chris Patten's package from sowing confusion and hurting the interests of the Hong Kong people. Returning to the district boards as many candidates as possible who are willing to commit themselves wholeheartedly to community service will effectively help district boards continue to fulfil their expected roles, so that community affairs and the interests of grassroot citizens in the next two years will be taken care of and safeguarded. Although all district boards set up under Chris Patten's "three-violation" package will definitely be terminated on 30 June 1997, the people of Hong Kong, nevertheless, must not waste time, they must seize the opportunity to train themselves and learn and acquire, through the active participation of voting, the knowledge and operation of elections and voters' rights. They must learn to strengthen their discernment of the

candidates' ability and integrity, in order to gain experience and prepare for the future recomposition of the Special Administrative Region's Legislative Council and regional organizations.

Numerous facts prove that the motherland- and Hong Kong-loving people are the ones who are most capable of safeguarding Hong Kong people's interests, and who work the hardest, buckle down, and serve communities honestly. The love of the motherland and the love of Hong Kong is one and the same thing, and the interests of the motherland and those of Hong Kong are identical. The motherland has been doing her best to safeguard Hong Kong's stability and prosperity; it has not only guaranteed Hong Kong the supply of drinking water and foodstuffs, but has provided prompt help to Hong Kong whenever it was in difficulty. For example, the motherland supplied petroleum to Hong Kong during the 1978 Oil Crisis and had its Chinese-funded banks participate actively in stabilizing Hong Kong currency during the 1983 Hong Kong dollar crisis. All these facts show that Hong Kong's prosperity and stability rely on the motherland. On the other hand, Hong Kong has helped the motherland in its modernization drive. The motherland and Hong Kong share the good and the bad and mutually rely on each other—such a relationship is increasingly appreciated and understood by a vast number of Hong Kong compatriots. Loving the motherland and Hong Kong necessarily entails the support of the unification of the motherland, a respect for their own nationals, a sincere support of the restoration by the motherland of its sovereignty over Hong Kong, and a refusal to do anything to hurt Hong Kong's prosperity and stability. The return of Hong Kong to the motherland is a common wish of all the Chinese people including the 6 million Hong Kong compatriots. In the critical period in the run-up to 1997, a large number of motherland- and Hong Kong-loving people have come forward and sincerely committed themselves to a smooth return, a stable transition, and continued prosperity and development of Hong Kong beyond 1997, pledging their wholehearted service to its citizens. This is something witnessed by every member of the public.

In these district board elections, there are quite a number of candidates sponsored by the motherland- and Hong Kong-loving political parties and social organizations such as the "Democratic Alliance for Betterment of Hong Kong" [DAB], "Hong Kong Federation of Trade Unions" [HKFTU], "Hong Kong Progressive Alliance", and "Liberal Democratic Federation." The HKFTU began to establish its roots in Hong Kong from the 1950's onward, has maintained a longstanding concern for labor problems and workers' rights, and has worked quietly for the laboring masses for the last few decades. Members of the newly founded DAB have also worked long and hard in the communities and have close ties with the citizens. Voters will be supporting a smooth transition and safeguarding their own interests when

they vote for the candidates sponsored by these motherland- and Hong Kong-loving political parties and social organizations.

As a matter of fact, a considerable number of voters already know and recognize the quality of these motherland- and Hong Kong-loving candidates and know of their work in community service. First, all motherland- and Hong Kong-loving candidates endorse the Basic Law and support a smooth transition; they oppose Britain in its pursuit of confrontation; they and the political parties and social organizations they are affiliated with can communicate effectively with both its citizens and China, capable of conveying the wishes and wants of the vast number of Hong Kong people to China. Returning motherland- and Hong Kong-loving people to district boards has a practical relevance for rallying the vast number of grassroot citizens and effectively reflecting the thinking of Hong Kong people. Second, most of the motherland- and Hong Kong-loving people are firmly based in communities and boast a proven record of community service. They shun empty talk, work quietly, and perform real services in a practical manner. They make a sharp contrast with those candidates "air-dropped" at the last minute in their constituencies, who campaign vigorously only during the election period and lack proven records and experience of district services. Voters will naturally vote for the practical performers when they compare the two types. Third, all motherland- and Hong Kong-loving people are hardworking and oblivious to fame and fortune; they will not sweet-talk voters into voting for them only to demand voters to give them a pay raise. Voters will find those greedy people who do not serve citizens sincerely but dig deep into taxpayers' pockets objectionable.

Based on the reasons above, it is natural that all voters who hope for continued prosperity and stability in Hong Kong, a smooth transition to 1997, peaceful and contented life for all, and dynamic growth for all trades and industries will cast their vote for the motherland- and Hong Kong-loving candidates.

Patriotic Forces' Participation Hailed

*HK1909103694 Hong Kong WEN WEI PO in Chinese
19 Sep 94 p a2*

[Editorial: "Active Participation in Election, Making a Show of Strength"]

[Text] The last District Board election before the hand-over of political power was held in Hong Kong yesterday. The rules of the game were set by the British, and Christ Patten has acted unilaterally, so the District Boards elected this time will be terminated on 30 June 1997.

Despite this, political organizations, social organizations, and voters who love the country and Hong Kong plunged themselves into the District Board election in a

high fighting spirit. This was an opportunity for mobilizing and organizing forces that love the country and Hong Kong to participate in Hong Kong affairs.

To serve the residents of Hong Kong and to ensure fewer troubles in the handover of political power in 1997, all forces that favor a smooth transition in Hong Kong went all-out in the election. Some are social organizations that take a clear-cut stand of loving the country and Hong Kong. They put forward the slogan of "doing solid work for the livelihood of the people." Some are organizations that favor the stability and prosperity of the region. They also put forward the slogan of "working for the benefit of neighbors and remaining in Hong Kong to undertake responsibilities." These two forces already had established connections with neighborhood people before the election, and have done much work for the residents. During the District Board election, they made unremitting efforts and took an active part. They adopted a very serious attitude in the election. They first investigated the various problems of their respective electoral districts, such as communications, social order, schooling for children, sanitation, environment, Urban Council facilities, and so on. They also sent out questionnaires to voters to solicit their opinions. They then put forward their political platforms. Voters reacted favorably to all these things.

Many candidates who love the country and Hong Kong still had to go to work every day. In the more than a month while they stood for election, they were so occupied that they forgot food and sleep. At 0600, they met with voters or handed out leaflets at subway stations or bus stops. At 1800 or 1900, they again visited families in housing estates. They adopted a very serious attitude. Candidates' family members also gave them the greatest spirit of support. Without the understanding and encouragement of their families, candidates would have been interfered with, and their work in standing for the election would have been affected. We can say that family members' support of candidates was very important to the accomplishments of candidates.

Through the election, the mass work of social organizations that love the country and Hong Kong was vigorously carried out again. Various street and district organizations were preliminarily established. All social organizations organized groups to assist in the election. Fellow villager associations extensively contacted their fellow villagers. By assisting in the election, backbone personnel were trained and talented people were discovered. The line-up of forces that love the country and Hong Kong was also manifested, and the demand for a smooth transition was passed on to the residents.

The Democratic Alliance for the Betterment of Hong Kong [DAB] had 83 candidates. This itself was a leap in terms of quantity and quality, and was also an expression of the emancipation of the mind and of having faith in the masses. In 1991, the DAB had not yet been founded. At that time, the Federation of Trade Unions had only

10 candidates, and had no candidates in most electoral districts. In this election, the DAB took part in the election of all electoral districts and attracted much attention. The ability of the DAB to mobilize voters also was better than expected. Candidates who love the country and Hong Kong took pride in "siding with China," and they won the support of voters who love the country and Hong Kong. Facts have proved that loving the country and Hong Kong coincides with the interests of the people of Hong Kong. That forces that love the country and Hong Kong took part in the election in conformity with the trend of the times and was only natural.

The level of election strategy of forces that love the country and Hong Kong also was raised. Chris Patten and his agents staged a vilifying offensive in the last 10 days in an attempt to disperse the fighting will of forces that love the country and Hong Kong. This revealed the hypocrisy of Chris Patten's talking glibly about "democracy" and "freedom." Naturally, this abominable move had a certain impact and attack on the forces that love the country and Hong Kong. Nevertheless, forces that love the country and Hong Kong united as one and were in high spirits. Compatriots from different provinces, strata, and circles supported and coordinated with one another. They showed their strength in many electoral districts.

Viewed from the election yesterday, the turnout was 33 percent. This shows that the silent majority remained silent. Therefore, it is reasonable to demand a progressive development of democracy because such a demand conforms with the situation in Hong Kong. Through the election, forces that love the country and Hong Kong have united with the masses, and have prepared the conditions for a smooth transition.

China Attacks Government Over Container Terminal

HK1809072694 Hong Kong *SOUTH CHINA SUNDAY MORNING POST* in English 18 Sep 94 p 2

[Text] China yesterday stepped up its attack on the Government for allowing Jardine Matheson to be part of the Container Terminal 9 (CT9) development, just two days ahead of this week's Joint Liaison Group (JLG) meeting.

The quasi-official Hong Kong China News Agency responded to Governor Chris Patten's criticism of one of its commentaries, which began the present row. Another 1,200-word article released last night said Mr Patten's anger at its earlier commentary proved it had hit the weakest point of the Government. The article challenged Mr Patten's assertion that it would be sending a disastrous message to the world if Jardines was forced to pull out. "Are they imagining China will be forced to accept the result if the Government turned it into reality?" it said.

The CT9 controversy will be on the agenda of the 30th round of JLG meetings, scheduled to begin in Beijing on Tuesday, along with discussion of the old-age pension scheme and the bill on the Court of Final Appeal.

JLG Chinese team leader Guo Fengmin yesterday urged Britain to demonstrate its sincerity in solving such transitional issues. As he left for Beijing, he said: "I hope the meeting can make progress, but it depends on whether the British side can use practical action to express their sincerity." This week's meeting may be Mr Guo's last JLG plenary session. He is expected to retire next month.

Officials Cited on Terminal

OW1609160694 Beijing XINHUA in English 1431
GMT 16 Sep 94

[Text] Hong Kong, September 16 (XINHUA)—Any projects concerning the franchise in Hong Kong beyond 1997 should be discussed at meetings of the Sino-British Joint Liaison Group, a senior Chinese official reiterated here Thursday [16 September].

However, Zhang Junsheng, deputy director of XINHUA NEWS AGENCY Hong Kong branch, said that Britain did not consult the Chinese side on the approval of the franchise for the Ninth Container Terminal in Hong Kong, a deal he described as "having been made under the table."

Thus, the issue has to be rendered to the liaison group for discussion, Zhang added.

Zhang made the remarks on Thursday when attending a meeting of the Preparatory Committee of the local press for celebrating the 45th anniversary of the founding of the People's Republic of China, which falls on October 1.

Two More Jardine Companies To Leave Stock Exchange

HK1709070294 Hong Kong SOUTH CHINA
MORNING POST (BUSINESS POST) in English
17 Sep 94 p 1

[By Amy Chew and Carrie Lee]

[Text] With the political row over Jardines' involvement in Container Terminal 9 still raging, two more of the group's companies have confirmed they are quitting the Hong Kong stock exchange. Hongkong Land Holdings and Mandarin Oriental International are to join the exodus of three other Jardine companies. The companies' boards rubber-stamped the decisions yesterday, a day after the delisting announcement made by Dairy Farm International Holdings.

In March, Jardine Matheson Holdings and Jardine Strategic Holdings said they would delist because of the Securities and Futures Commission's (SFC) refusal to

grant them an exemption from takeover regulations. The latest announced delistings will take effect on March 31 next year.

Statements from both companies repeated the earlier explanations that their decisions resulted from the refusal of the authorities to grant them an exemption from the Takeover Code. They had asked the SFC for the exemption in July after becoming subject to Bermuda legislation, based on London's City Code on Takeovers and Mergers which provides statutory protection against takeovers.

"The SFC has stated that an application for such an exemption would not succeed," said Hongkong Land and Mandarin Oriental in their statements. "Accordingly, the board has reluctantly decided that it should withdraw the secondary listing of its ordinary shares on the Hong Kong stock exchange with effect from March 31, 1995."

However, the SFC said it felt their delistings were not necessarily related to the failure to be granted an exemption. "We regret their decisions to delist but do not feel that it was a necessary consequence of Jardine failing to be granted an exemption from the Hong Kong Takeover Code," said SFC spokesman Bill Weeks.

Their delisting decisions are widely seen as another step in the Jardine group's efforts to distance itself from the territory ahead of its reversion to Chinese sovereignty in 1997.

Mandarin Oriental managing director Robert Riley, however, said the group had a commitment to Hong Kong. "We are committed to Hong Kong and Macao, where we have significant assets, and will continue to invest in these markets. We will also continue to look for opportunities in China," he said. The delisting was a technical matter and would not have any impact on the group's business and operations, he said.

Meanwhile, some analysts said they could not follow the logic of the delisting plan of Hongkong Land, which has its investments predominantly in Hong Kong properties. Officials at the property developer could not be reached for comment.

Mr Weeks said: "We hope that it (the companies' delisting) is in the best interest of investors. We still regret the decisions because they are strong companies which have fixed years in Hong Kong."

Stock exchange executive director and head of listing Herbert Hui Homing said the market could get by with the five companies' delisting. "Obviously it is disappointing, but I am confident that the market will continue to develop," he said. "It's their boards' decision to delist. But, as in previous cases, we fully support the SFC's position in relation to this," he said.

Fund managers yesterday showed no surprise over the delisting decisions, which had been widely anticipated.

BZW Investment Management fund manager Patrick Shum Wai-cheong said he did not expect their delisting announcement to spark an immediate selling binge on the two stocks. "But fund managers whose policy is to buy index stocks will rush to sell them just before their delisting in March," he said. The departure of the five Jardine companies all of them index constituent stocks—leaves a big gap in the Hang Seng Index of 33 top shares.

No Impact on Market Seen

HK1909034994 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1108 GMT 16 Sep 94

["Special article" by Yu Cheng (6735 2052): "Jardine Group's Withdrawal Will Not Have Any Impact on Hong Kong Economy"]

[Text] Hong Kong, 16 September (ZHONGGUO TONGXUN SHE)—The news that the Jardine Group's Dairy Farm International Holdings Limited would stop listing its shares on the Hong Kong stock market has not had any impact on the market. Apparently, investors have little interest in it. The withdrawal of individual financial groups which have no confidence in Hong Kong will not have any profound effect on the Hong Kong economy. Other financial groups will just seize this opportunity to strive for more room for business expansion.

The Jardine Group took the lead in moving its domicile to Bermuda in the 1980's and has actively expanded its businesses overseas. However, the performance of its businesses overseas has never been ideal. Its profits in recent years have come mainly from Hong Kong. Thus, it can be seen that its withdrawal from Hong Kong is not necessarily based on substantive economic factors.

Under the reality that Jardine itself profits from Hong Kong, it still tries every possible means to seek privileges. Earlier, it had asked for exemption from Hong Kong's takeover and merger code. This is a concrete example of seeking privileges. On the one hand, the Jardine Group did not want to buy more Hongkong Land [a real estate firm controlled by Jardine Group holding companies] shares and then find itself compelled to launch an outright purchase, and, on the other hand, it did not want to see Hong Kong-funded property developers launching another takeover bid after the expiration of a seven-year agreement barring bids for Hongkong Land. This is the reason for its pursuit of exemption privileges from the takeover regulations, which was based on a threat to delist from the Hong Kong Stock Exchange. To safeguard the interests of Hong Kong stocks and the financial sector as a whole, the Hong Kong Securities and Futures Commission flatly rejected the Jardine Group's unreasonable requests. The commission's adherence to principle was well received across the board. Consequently, Jardine Matheson Holdings Ltd. and Jardine Strategic Holdings Ltd. decided to withdraw their listings on the Hong Kong

Stock Exchange one after the other. Nevertheless, this did not cause too big a shock to Hong Kong shares, because the market had long predicted it and was prepared. It is not strange to see Dairy Farm following in the footsteps of Jardines and its member companies. It is also reasonable that Dairy Farm's decision will not have any impact on the market.

The withdrawal of individual financial groups will have an unfavorable impact on the withdrawal of financial groups rather than a damaging effect on Hong Kong. Companies, enterprises, and financial groups from Europe, the Americas, and even Asia have focused their business development on the Asian market. Mainland China and Hong Kong are the focus of the Asian market. The Jardine Group's departure will, on the contrary, leave more opportunities for other financial groups to exploit.

Mainland China's economy has made considerable progress in recent years. The Chinese market has considerably huge and abundant potential and has attracted many investors from Europe, the Americas, and Asia to develop business there, many of whom have entered the mainland market via Hong Kong. Hong Kong's economy and stock market have promising prospects.

'Fading' Role of British Capital

HK1909060894 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1214 GMT 16 Sep 94

["Roundup" by Hong Wen (1738 5113): "British Capital Fading Out and Chinese Capital Fading in Are Trend of Times"]

[Text] Hong Kong, 16 September (ZHONGGUO TONGXUN SHE)—Following the announcement in March this year that Jardine Matheson Holdings Limited and its subsidiary, Jardine Strategic Holdings Ltd., would withdraw the secondary listing of their shares on the Hong Kong Stock Exchange, Dairy Farm International Holdings has announced that it is following suit. Hongkong Land and Mandarin Oriental International are believed to be following soon. Nevertheless, Hong Kong shares have not been adversely affected. Hong Kong bankers and financiers believe that as a symbol of British capital, every act taken by the Jardine Group no longer has the decisive impact on Hong Kong it had in the past. In fact, the fading out of British capital and the emergence of Chinese capital are a trend of the times. Chinese-funded enterprises have now become Hong Kong's second largest external investor [UK investors rank number one].

Chim Pui-chung, a member of the Legislative Council representing the financial services community, maintains that the withdrawal of Jardine Group companies from Hong Kong shows that those who desire to quit will ultimately do so. He pointed out that as the privileges enjoyed by British capital are gradually diminishing every day, and British capital is unwilling to follow the

rules of the game in Hong Kong, ultimately leaving Hong Kong is also considered a historical necessity.

A spokesman from the Securities and Futures Commission stated yesterday: As public companies, Jardine Group companies should also be subject to the controls of the Hong Kong Takeover and Merge Code and they should be no exception.

Although the Jardine Group has stressed that the "delisting" decision did not mean the group lacks commitment to Hong Kong, some figures pointed out that, judging from the group's gradual steps to leave, of the numerous British-funded big companies, Jardine has the least confidence in Hong Kong's future. The commitment it glibly promises to Hong Kong, which has nourished its growth and expansion, are nothing but empty talk.

Jardines' announcement on moving its domicile to Bermuda in 1984 caused a shock to society for a time. Ten years later, at a time when 1997 is about to arrive, Jardines has taken further withdrawal action. This has long been expected by many. Therefore, the current move will hardly cause a shock to Hong Kong, let alone break Hong Kong down. Even the stock market, which is most sensitive to such news, has not been adversely affected. Thus, one can well perceive that the market is already mentally prepared.

In contrast, Chinese-funded enterprises are becoming more and more active in investment activities in Hong Kong, and 50 are listed on the Hong Kong Stock Exchange. Moreover, 11 state-run enterprises have succeeded in listing on the Hong Kong Stock Exchange. Hence, there is a notable cluster of Chinese-funded enterprises. The Hang Sang Index Services Company formally established a Chinese enterprise index last month, thus formally determining the position of Chinese capital among Hong Kong shares. From its establishment until now, the Chinese enterprise index has risen considerably.

Lu Ping Says Chambers of Commerce To Remain

HK1609150694 Beijing ZHONGGUO XINWEN SHE in English 1306 GMT 15 Sep 94

[Text] Beijing, September 15 (CNS)—Director of the Hong Kong and Macao Affairs Office under the State Council, Mr. Lu Ping, said when meeting with the Indian Chamber of Commerce in Hong Kong that all foreign chambers of commerce including the Indian Chamber of

Commerce in the territory would remain after 1997 and they would be allowed to carry out any commercial activities just like at present and no limitation would be imposed on their business.

The chamber guests hoped that the chamber's status and role as well as its commercial privileges including that in real estate sector would remain after 1997. The director said "no problem".

Mr. Lu particularly agreed with the appraisal made by the guests for the active role played by the chamber in the past in Hong Kong. He said that the chamber could not only promote trade exchanges between India and Hong Kong but also trade of the territory with the Mainland and other countries in Asia.

Talking on environment of legislation in the territory, Mr. Lu expressed that after 1997, all Mainland-funded institutions and enterprises as well as institutions and personnel dispatched by the central authorities' departments and provinces to the territory must abide by Hong Kong's local laws which is clearly stated in the Basic Law. If they are in violation of laws, Hong Kong's judicial organs absolutely have the authority to try such cases. Mainland-funded enterprises in the territory enjoy no privilege at all.

Li Ruihuan Meets With Hong Kong Entrepreneur

OW1609171994 Beijing XINHUA in English 1610 GMT 16 Sep 94

[Text] Beijing, September 16 (XINHUA)—Li Ruihuan, member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China (CPC), appreciated Hong Kong entrepreneur Jerome Sze's theory of "repaying the country through running industries" here today.

Li, also chairman of the National Committee of the Chinese People's Political Consultative Conference, made the remark this afternoon at the Great Hall of the People when he met with Sze, chairman of Hong Kong Link (holdings) Ltd. and managing director of the Shenzhen China Bicycle Company (holdings) Ltd.

Li thanked Sze for his investment of 13 million yuan (about 1.5 million U.S. dollars) for education in China's inland areas, and expressed his hope that Sze, who runs 13 factories and two real estate projects in China, would find his investments profitable.

The Shenzhen China bicycle Company (holdings) Ltd is now the biggest bicycle exporter in the world.

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